

STATE OF CALIFORNIA
THE RECLAMATION BOARD
REGULAR BOARD MEETING
OPEN SESSION

RESOURCES BUILDING
1416 NINTH STREET
AUDITORIUM
SACRAMENTO, CALIFORNIA

FRIDAY, APRIL 20, 2007

9:40 A.M.

KATHRYN S. KENYON, CSR
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APPEARANCES

BOARD MEMBERS

Mr. Benjamin Carter, President

Mr. Butch Hodgkins, Vice President

Ms. Lady Bug Doherty, Secretary

Ms. Rose Marie Burroughs, Member

Ms. Teri Rie, Member

STAFF

Mr. Jay Punia, General Manager

Mr. Stephen Bradley, Chief Engineer

Mr. Eric Butler, Senior Engineer

Ms. Nancy Finch, Legal Counsel

Mr. Dan Fua, Supervising Engineer

Mr. Scott Morgan, Legal Counsel

Ms. Lorraine Pendlebury, Staff Assistant

ALSO PRESENT

Mr. Paul Brunner, TRLIA

Mr. Michael Churkin

Mr. Joe Countryman

Mr. Larry Dacus, MBK Engineers

Mr. Steve Dawson, Department of Water Resources

Mr. Tom Eres, Hofman Ranch

APPEARANCES CONTINUED

Mr. Tom Foley, Concerned Citizens for Responsible Growth

Mr. Jeff Fong, Department of Water Resources

Mr. Bill Hampton, Levee District 1

Mr. John Hess, U.S. Army Corps of Engineers

Mr. Chris Huitt, Department of Water Resources

Mr. Greg Kwiatkowski, Hidden Lakes RV Park

Mr. Larry Lee, Department of Water Resources

Mr. Rod Mayer, Department of Water Resources

Ms. Erin Mullen, Department of Water Resources

Mr. Bill Paris, Reclamation District 2140

Mr. Ric Reinhardt, MBK Engineers

Mr. Scott Shapiro, TRLIA, M&T Rancher

Mr. Raj Kumar Sharma, Sunrise Orchards

Mr. Keith Swanson, Department of Water Resources

Mr. Jeffrey Twitchell, Levee District 1 of Sutter County

Mr. Richard Webb, Reclamation District 784

Mr. David van Rijn, U.S. Army Corps of Engineers

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1 PROCEEDINGS

2 PRESIDENT CARTER: Good morning. Good morning,
3 ladies and gentlemen. And welcome to the State
4 Reclamation Board meeting. We'll call the meeting to
5 order.

6 I'll ask General Manager Punia to call the roll,
7 please.

8 GENERAL MANAGER PUNIA: Jay Punia, general
9 manager, Reclamation Board.

10 For the record, except Board Member Teri Rie, the
11 rest of the Board members are present.

12 PRESIDENT CARTER: Thank you, Jay.

13 Now we'll go -- we'll enter into closed session to
14 discuss litigation, pursuant to Government Code
15 11126(e)(2)(A).

16 (Thereupon the closed session was held.)

17 PRESIDENT CARTER: Good morning, ladies and
18 gentlemen. Welcome to the State Reclamation Board meeting
19 for April 20th.

20 For the record, the Board did have a closed
21 session this morning, from -- to discuss litigation as
22 agendized on Item 2.

23 We -- we'll proceed, then, with Item 3.

24 I do want to make a note, in case some of you
25 didn't notice, the -- we have changed the format of our

1 meetings and our agenda, where we do have timed items. In
2 consideration of everybody's time utilization, we will
3 attempt to address each of those timed items as close to
4 those times as we can, not before the time listed on the
5 agenda.

6 So we will try and follow that. So there will be
7 some skipping around on the agenda. I anticipate, if we
8 need to fill time between timed items, we'll go to untimed
9 items and address those. And we will attempt to stay on
10 schedule, according to the timing on the agenda.

11 This is kind of a trial run; this is the first
12 time the Rec Board has done this. Hopefully, we'll get
13 better at it. So we ask your patience and indulgence on
14 that.

15 So with that -- we are already running behind
16 schedule. I apologize.

17 So with that, Item 3, Approval of the Minutes for
18 January 19th, 2007.

19 SECRETARY DOHERTY: I would like to make a motion
20 that we approve the minutes for January 19th, 2007.

21 PRESIDENT CARTER: We have a motion.

22 Is there a second?

23 MEMBER RIE: Second.

24 PRESIDENT CARTER: Okay. We have a motion and a
25 second.

1 Any discussion?

2 MEMBER BURROUGHS: Yes. I think Item No. 11
3 should be pulled from the agenda.

4 PRESIDENT CARTER: We're -- we're on the minutes.

5 MEMBER BURROUGHS: I thought you said the agenda.

6 PRESIDENT CARTER: We're on Item 3, Approval of
7 the Minutes for January 19th, 2007. I apologize.

8 So the motion was to approve the minutes for
9 January 19th.

10 And the second was to approve the minutes?

11 MEMBER RIE: Yes.

12 PRESIDENT CARTER: Any discussion?

13 All those in favor, indicate by saying "aye."

14 (Ayes.)

15 PRESIDENT CARTER: And opposed?

16 Okay. The motion carries.

17 Okay. We have Approval of the Agenda for today's
18 meeting, April 20th, 2007.

19 Rose Marie?

20 MEMBER BURROUGHS: Before we go to a motion to
21 approve it, could I ask for legal counsel comment on the
22 preparedness for No. 11 and whether it should be -- go
23 forward or not?

24 PRESIDENT CARTER: So the issue is, is staff ready
25 to present their staff report? Are they ready to present

1 their findings for Item 11?

2 LEGAL COUNSEL MORGAN: Well, there's two items.
3 Legal counsel's advice is, if the staff is not ready,
4 don't go forward. If staff is, do go forward. But that's
5 up to staff; I can't address that.

6 PRESIDENT CARTER: Mr. Punia?

7 GENERAL MANAGER PUNIA: Staff has prepared the
8 report, and the staff is ready to make the presentation,
9 but it will be up to the Board to decide to go along with
10 the staff recommendation or not.

11 PRESIDENT CARTER: Okay. So then it's probably --
12 it's probably prudent, we'll leave it on the agenda and
13 the Board can decide at the time we address the items
14 whether or not they want to take action in this meeting or
15 defer it to another meeting.

16 Any other suggested changes to the agenda for
17 today?

18 SECRETARY DOHERTY: I make a motion that we
19 approve the agenda as presented.

20 MEMBER RIE: Second.

21 PRESIDENT CARTER: Motion and a second.

22 Any discussion?

23 All those in favor, indicate by saying "aye."

24 (Ayes.)

25 PRESIDENT CARTER: And opposed?

1 MEMBER BURROUGHS: Aye.

2 PRESIDENT CARTER: So I voted "aye," so the agenda
3 is approved as presented for today.

4 Now we are on to Item 5, which is Public Comment.

5 This is the time where the public is invited to
6 address the Board on any items that are not agendized for
7 today. We ask that everyone who does want to address the
8 Board, please submit one of these little white cards.
9 There is a stack of them on the table at the entrance to
10 the auditorium. They are also available here, up front,
11 from Lorraine Pendlebury. So please fill those out so we
12 know to recognize you. And please fill these out for any
13 item that you wish to address the Board on.

14 So at this time, I do have one person,
15 Mr. Shapiro, who wants to address the Board on an
16 unagendized item.

17 MR. SHAPIRO: Good morning, Board Members.

18 Scott Shapiro appearing this morning on behalf of
19 M&T Ranches. Just want to take a brief minute to tell you
20 a little bit of information about a critical erosion site
21 that a client -- a long-term client of the firm has.

22 (Thereupon an overhead presentation was
23 presented as follows.)

24 MR. SHAPIRO: I'm not asking for any action. Of
25 course, you can't, under public comment. But we did want

1 to update the Board on what's going on. This is probably
2 something that's going to come before you later in the
3 summer, because this is some work that we hope we can get
4 done this year. A very brief presentation, just to orient
5 you on it.

6 All the materials that I'm going to talk about
7 today, I previously shared with Scott Morgan. And the
8 client, M&T, has talked with Paul Sandue -- did he talk
9 directly with you or just with Paul?

10 Talked with Paul. And Keith has been informed.
11 So we're working with staff to try to get this information
12 known.

13 --o0o--

14 MR. SHAPIRO: This map, that is up on the screen
15 right now, is the design flows map for the Sacramento
16 River Flood Control Project. And you can see a yellow
17 arrow that's been located on the map, and there's a little
18 line right above it. And that's the area of concern here.
19 It is the top end of the Sacramento River Flood Control
20 Project. And in essence, it is called the Phelan levee.
21 And the Phelan levee, in 1964, at the request of the
22 Reclamation Board, was lowered by 4 feet to allow 60,000
23 CFS of flow to overflow that levee in the event of a high
24 water event.

25 And if I go back up to the map again, for a

1 second, you can see that the design flows have 150,000 --
2 150,000 CFS running down the river on the left side, and
3 then 150,000 CFS running right down the center of the
4 land. Some portion of that is as a result of this weir,
5 this lowered levee, the Phelan levee.

6 So in '64, the Rec Board instructed M&T to lower
7 it. And that was part of the State's Plan of Flood
8 Control, to make sure that the river never raged out of
9 control, and some portion would go down, into the Butte
10 Basin.

11 Water Code Section 8761 sub P instructs DWR to
12 maintain certain structures, including flood relief
13 structures and weirs in this vicinity, so there's been a
14 long-term DWR involvement in it. And we have years of
15 documentation demonstrating concern by M&T about erosion
16 at levee mile 192.4, which is the Phelan levee.

17 Importantly, in 1989, Corps design memorandum
18 notes, and I will quote, Phelan Levee is a component of
19 the flood control measures which maintain the proper flow
20 split between the Sacramento River Flood Control Project
21 levees and the overflow areas to the east of the river.
22 If the Phelan levee is lost due to continued erosion, an
23 excessive amount of flow could overflow into Angels
24 Slough. This flooding could be disastrous in the Butte
25 Basin. It could endanger the integrity of the Sacramento

1 River Flood Control Levees.

2 Now, in 1997, there was a letter from the Rec
3 Board to M&T, which said, "While we previously told you we
4 would address erosion if it got to 150 or 200 feet from
5 the levee, now the Army test is when the erosion will
6 jeopardize the project in the course of a single flood
7 season." And I'm here to tell you, I think we've reached
8 that point.

9 I have a few pictures for you, and then I will
10 conclude.

11 --o0o--

12 MR. SHAPIRO: This is the general area of the
13 river. If you look on the upper right corner, you can see
14 almost like a little inlet with a red line that goes
15 through it, and that's the specific area.

16 If you look generally, you see these lines, and
17 the lines are the bank lines. And this is 20 years of
18 erosion. You can see how substantially the river has
19 moved here, in 20 years. The bank has moved so far that
20 now the opposite bank is within the former old channel.

21 If I zoom in a little bit, you can see here, the
22 inlet area of concern. I use the mouse here to try to
23 show, right here, running down, along this white road,
24 this is the actual levee, running right along here.

25 All of this erosion from the purple line to the

1 red line occurred in one year. We have this -- this inlet
2 that's forming, and it's just causing water to churn
3 around and really, substantially, erode away the bank.

4 Let me zoom in a little bit here for you. You can
5 see how substantial -- this is one year of erosion from
6 the purple to the red line. And we're very concerned that
7 this next year, this could not only erode the entire bank
8 but erode into the levee.

9 If it does, it's going to result in substantial
10 amounts of flows to the Sacramento River, flowing down
11 into the Butte Basin, flooding Yuba City, all of those
12 areas. It's of grave concern to us.

13 We have shared it with your staff, with Scott
14 Morgan and DWR staff. And they have concerns, and they
15 are starting to look at the issue. And we're hopeful
16 we'll be able to work cooperatively with them to try to
17 address it this year.

18 --o0o--

19 MR. SHAPIRO: Let me show you one last picture.
20 This is from the land, looking out into the river. You
21 can see this sandbar here, this gravel bar with the snags
22 on it. And right in here is where the water is coming in
23 and spinning around and eroding away again.

24 If -- our engineer, in a technical memo that we
25 shared with Mr. Morgan, has concluded that at the current

1 rate of erosion, this will erode into the bank, which is
2 underlying the levee, potentially this next year.

3 So we're hopeful we can do it this year.

4 Appreciate the chance to brief on it.

5 And we'll let you know if any Rec Board action is
6 required, if we have any applications for your help.

7 Thank you.

8 PRESIDENT CARTER: Thank you.

9 MEMBER BURROUGHS: Did you have a copy of your
10 report?

11 MR. SHAPIRO: I provided copies to Mr. Morgan, but
12 I'm happy to leave extra with your staff. They can make
13 copies for everybody.

14 MEMBER BURROUGHS: Thank you.

15 MR. SHAPIRO: Thank you.

16 PRESIDENT CARTER: Okay. Very good.

17 Any other public comments?

18 All right. Very good.

19 With that, we will move on to Report of the
20 Activities of the Department of the Water Resources.

21 Mr. Swanson in place of Mr. Mayer.

22 Good morning.

23 MR. SWANSON: Good morning. Keith Swanson, acting
24 chief Division of Flood Management.

25 This is the fifth month I've had the opportunity

1 to brief you. And I know I started off, talking about
2 water conditions with weak El Niños and the likelihood
3 that we are going to have above average precipitation down
4 south, average precipitation here in the north. Well, we
5 all know that never did occur.

6 The Sacramento Valley water year is being
7 classified as dry. And San Joaquin Valley water year is
8 critical.

9 Luckily, we've had a couple of, you know, wet
10 years over the last few years. And so the reservoirs are
11 full, and groundwater levels are near normal. So that
12 helps mitigate for the dry conditions. But allocations
13 for water deliveries are going to be affected. And if you
14 look at -- south of the Delta, the feds are talking about
15 50 percent allocations, and the state is talking about 60
16 percent allocations. So it's a dry year.

17 Our levee evaluation program continues to move
18 forward in the urban areas, rapidly. March 27th, there
19 was a public workshop in West Sacramento. There's going
20 to be additional workshops in May. And again, Rec Board
21 participation is desired in those workshops, and we'll be
22 working with Jay to see if we can get representation.

23 The Sutter County drilling started March 19th.
24 Natomas area will be starting really soon. I don't know
25 if it started this week, but it's on the verge of

1 starting.

2 MEMBER RIE: Excuse me. Can we go back to No. 3?

3 MR. SWANSON: To --

4 MEMBER RIE: Number 3 on your list.

5 MR. SWANSON: Specifically, what's No. 3?

6 MEMBER RIE: "The Corps has informed the levee
7 evaluations section that the risk and uncertainty
8 methodology shall be used for geotechnical analysis."

9 Can you talk about that?

10 MR. SWANSON: I'm not sure if the proper person to
11 talk about it -- technically I'm probably not the person.
12 I'm not up to speed on that.

13 MEMBER RIE: Okay. Can we have somebody come back
14 this afternoon and discuss that?

15 MR. SWANSON: Yeah, or maybe we could get someone
16 like Joe Countryman who's here, who I'm sure -- Joe, no?
17 Okay. We'll see. Or maybe --

18 PRESIDENT CARTER: What's your concern, Teri?

19 MR. SWANSON: We do have John Hess here, from the
20 Corps of Engineers. If you would like -- John, I hate to
21 put you on the spot.

22 MR. HESS: It's not a problem, if you want to
23 address it now.

24 MR. SWANSON: Do you want to address it now?

25 MEMBER RIE: Yeah.

1 MR. SWANSON: We have John Hess, chief of the
2 Geotechnical Branch with the Corps of Engineers here.

3 MEMBER RIE: Well, what concerns me about this is
4 that is says, "The state shall use this methodology," and
5 the last I heard about it, it was just a proposal, and the
6 Corps was looking at it. And now it says that "the Corps
7 has to use this methodology and no exceptions will be
8 granted."

9 MEMBER BURROUGHS: What page are you on?

10 MEMBER RIE: Page 4, Item 3. So I was just
11 curious, when did this mandate happen and how can this be
12 mandated if the State hasn't approved this? And I mean,
13 who authorized this?

14 MR. HESS: Mr. Chairman, Board Members, my name is
15 John Hess. I'm chief of Geotechnical Environmental
16 Engineering Branch for the Army Corps of Engineers, here
17 in Sacramento.

18 To respond to the question, at a -- one of the
19 many meetings that we have attended for the State Urban
20 Levee Program, we advised members there that the Corps of
21 Engineers has had a policy in place since 1997 for FEMA
22 certification.

23 There have been recent additional directives from
24 our headquarters in Washington D.C., just last year,
25 regarding this policy of levee certification. There is a

1 new criteria document that's being prepared out of our
2 headquarters right now. That should be out, we hope,
3 within a couple months.

4 What we informed the State at that time was that
5 currently, our directive from headquarters is all levee
6 certifications that the Corps of Engineers will do will be
7 using risk and uncertainty. It will not be using FEMA CFR
8 guidance for -- risk and uncertainty will require some
9 differing hydraulic analysis, perhaps some different
10 geotechnical analysis.

11 It does not necessarily mean that it's a much
12 higher hurdle now, than before. In fact, we looked at one
13 area, just recently, for levee certification using FEMA
14 criteria, which is, what we call, based on freeboard,
15 having a 3-foot level of levee above the highest water
16 surface level for the 1-in-100-chance event.

17 In comparing that project and that possible
18 certification, were we to certify using risk and
19 uncertainty, we found no difference. However, we are
20 advising the State that if we are to certify levees, which
21 is, I believe, the State's intent on the urban levee
22 program, ultimately, we will have to use risk and
23 uncertainty.

24 Now, the FEMA CFR, using freeboard, is still on
25 the books. The State or any entity with levees can go to

1 other -- to consultants and others to certify using
2 traditional FEMA criteria. But if the Corps is going to
3 be asked to do it, we are required to use risk and
4 uncertainty.

5 MEMBER RIE: Well, it sounds like the policy
6 hasn't come out from headquarters yet. Is there going to
7 be any opportunity for --

8 MR. HESS: The policy has come out, and we
9 provided copies of that to the State. And I put it up on
10 an FTP site as well, that anybody can find.

11 MEMBER RIE: Is there an opportunity to comment on
12 the policy?

13 MR. HESS: Absolutely. We have had, as you can
14 imagine, a great deal of discussion, when you put it
15 politely, with our headquarters about this.

16 But they are insistent, and there are good reasons
17 for this policy. I believe, ultimately, FEMA will be
18 going the same way. It's just that you can probably
19 understand, if I can say, politically, it's a difficult
20 thing for them to make changes like that, to go to risk
21 and uncertainty at this time, when we are doing that
22 modernization throughout the country. But they will
23 ultimately probably be going that way.

24 This policy was done in consultation with FEMA.
25 FEMA agreed with us, going this route. And I -- we're

1 going to make every effort to, I think, to make this new
2 policy. It won't be painless, but at least it will be
3 clear.

4 MEMBER RIE: Would it be possible for you or
5 someone else from the Corps to come back at another
6 meeting and give us a presentation?

7 MR. HESS: We can do that. I will probably invite
8 someone from the hydrologic engineering center to brief
9 that.

10 What I might suggest is, we have a policy document
11 coming out in a couple of months. If you want to wait
12 that long, we can wait for that to come out and brief it
13 then. Or I might also suggest, if you want, we have -- we
14 do not have a draft of that, so we are not going to see
15 that until much later. But when the draft comes out, I
16 might suggest that might be a good time to brief you.

17 MEMBER RIE: Well, my concern now is that the
18 State feels that they are mandated to use this procedure,
19 and I think there's some problems with it.

20 So perhaps next month would be better.

21 MR. HESS: Well, I don't think there are
22 necessarily any problems with the procedure. Some parts
23 of the procedure are really no different than traditional
24 FEMA certification.

25 For instance, a geotechnical analysis is using

1 traditional methods. There is no new risk and uncertainty
2 for the geotechnical part.

3 But the hydrologic part is based on risk and
4 uncertainty. It does, in some areas, or will, in some
5 areas, pose a slightly higher standard than traditional
6 freeboard criteria. But that's not necessarily the case
7 everywhere.

8 MEMBER RIE: Well, is the hydraulic data available
9 in all cases?

10 MR. HESS: For traditional FEMA criteria as well
11 as using risk and uncertainty, there will be new data
12 required and new analysis required. The risk and
13 uncertainty will probably take more effort to do the
14 analysis.

15 But the -- particularly with the lidar data that's
16 being provided and other data as part of the Urban Levee
17 Program, a good deal of the data that's required of that
18 should be available.

19 MEMBER RIE: Okay. Well, you can get back to us.
20 But I think our Board would prefer to hear this sooner
21 than later.

22 MR. HESS: Very good.

23 MEMBER RIE: Thank you.

24 VICE PRESIDENT HODGKINS: Can I ask a question?

25 You said that there is no change from the

1 geotechnical perspective. And I may be out of touch
2 already, but I thought, in running risk and uncertainty,
3 there was the identification of a probable failure and a
4 probable non-failure, that -- and then the assumption of
5 some sort of a probability of failure for different
6 elevations in between those two.

7 Is that not done anymore?

8 MR. HESS: That is not done anymore. Our
9 feasibility study practice was only used for feasibility
10 studies. It was never used for levee certification.

11 But even that practice has changed. Now we are
12 using curves rather than points. In fact, a levee
13 geotechnical curve will be developed now for feasibility
14 studies. That may ultimately be also a practice used for
15 levee certification, but at this time, it is not. At this
16 time, we do the hydrologic analysis, determine a water
17 surface profile based in our view, that we should apply to
18 that particular levee to be certified. And then we do
19 traditional geotechnical analysis on that levee section,
20 at that water surface program. So we do not use PMPs,
21 ERPs any longer.

22 VICE PRESIDENT HODGKINS: I don't want to take the
23 Board's time up.

24 MR. HESS: We can brief that and explain it.

25 VICE PRESIDENT HODGKINS: Yeah. Thank you.

1 PRESIDENT CARTER: Thank you.

2 MR. SWANSON: John, thank you very much.

3 We did mention, in this brief discussion, that we
4 are on the way to completing the lidar studies throughout
5 the urban area. And I think, late April, we're also going
6 to be starting electromagnetic surveys.

7 And this week, the Levee Evaluation Group had
8 their Independent Consulting Board hearing. You know,
9 it's a pretty frequent basis, and things are moving
10 forward fairly well.

11 Tisdale Bypass Sediment Removal Project, I'm happy
12 to say, is back on track. I do want to thank the Board
13 for their involvement. Lou Bair I think, helped a lot in
14 getting Assemblyman LaMalfa's Office involved with, I
15 think, by Tuesday after the last Board hearing -- the last
16 Board meeting, we had a deal in hand. So now, we have all
17 the permit applications submitted.

18 We met with all the resource agencies on
19 Wednesday. The resource agencies are committed to working
20 with us to get the permits by the middle of May. In fact,
21 I think our first permit has already been written, for
22 1600 applications. So things are moving forward well.

23 SECRETARY DOHERTY: I would like to thank you for
24 your help on that, and also Tom Ellis, who's out here and
25 Lewis Bair are both here. If it weren't for them, this

1 might not be getting done, and we might end up with a
2 broken levee somewhere.

3 MR. SWANSON: No question about it.

4 Our engineering group will be ready to advertise
5 in mid May. They want to have permits in hand before they
6 advertise.

7 The one issue that we're dealing with, that will
8 not hold up with the permits, is meeting our obligations
9 for riparian mitigation. We've been working with state
10 parks and the City of Colusa to evaluate the potential of
11 using the parkland just north of Colusa as our mitigation
12 site. It's a project with the city and the state parks
13 have been talking about reestablishing the riparian
14 property that they've obtained. And we're looking into
15 the possibility of funding that activity to meet our
16 obligations.

17 So we'll be moving forward with that. Hopefully
18 nothing comes up. I touched basis with Lady Bug just to
19 make sure we don't have any hiccups on it.

20 Our project -- maintenance folks, we've got lots
21 of activity with -- and apprehension on standards
22 associated with maintenance. On March 30th, the Corps of
23 Engineers sent a letter to the Reclamation Board
24 identifying 28 Reclamation Board-sponsored projects that
25 had deficient maintenance. In the letter, there was a

1 request for a plan to address the deficient maintenance
2 within three months, and then there's a one-year period to
3 rectify deficient maintenance.

4 MEMBER BURROUGHS: Is that -- is that a -- a true
5 feasibility of getting enough time to get it rectified?

6 MR. SWANSON: In some instances, yes. I can get
7 into this a little later. We personally have three
8 projects on there. One of them is on the interceptor
9 canal that feeds water into the Wadsworth Canal. And we
10 were written up because there wasn't an all-weather gravel
11 road surface adjacent to what is basically a ditch. We're
12 not sure that there ever was a gravel road surface there,
13 but we can add that. And we will add that.

14 And then there's another issue on that project
15 where they say a levee is missing, a little levee. And
16 the plans kind of show an undulating ground surface. We
17 will reestablish that. And we can do that in a year.

18 We have two other projects up in Tehama County, on
19 Butte Creek -- or Deer Creek and Elder Creek. And those
20 are areas where the Department has not been in the channel
21 in at least 20 years. One of them is just infested with
22 elderberry. The other one has just vegetation that needs
23 to be managed and may be some controlling issues.

24 Those are going to be very difficult to get
25 through and get completely rectified within a year. We

1 will put together a plan. We will start submitting for
2 the permits. But we are going to have to go through the
3 CEQA process before we can even start to get hand crews in
4 there.

5 That will be an ongoing battle, and we might not
6 be able to get done within a year. And I think some of
7 the other projects are going to face similar-type
8 situations. If there's a long permit process required,
9 then it's going to be difficult for them to do it. If
10 it's just getting a handle on, you know, road abatement or
11 if it's reestablishing a roadway, a crown roadway, you
12 know, those are not going to be as big of an issue. But
13 if there's major structural issues with the levees, it's
14 going to take long.

15 SECRETARY DOHERTY: Keith, on the Deer Creek,
16 haven't they done a lot of restoration work within that
17 creek? And is that part of what the problem is?

18 MR. SWANSON: They have done a lot of restoration
19 work. I'm not sure that that's a problem. And we're
20 going to have to get in there and probably do hydraulic
21 modeling, to try to find out what the proper level of
22 vegetation is.

23 I will be honest with you. We have not been in
24 the Creek in 20 years. And it used to be that they went
25 in with dozers and knocked down gravel and managed it. We

1 got away from that. So we're going to have to reestablish
2 our presence and develop a maintenance regime that's
3 consistent with that, that also balances some of this
4 restoration work.

5 VICE PRESIDENT HODGKINS: Keith?

6 MR. SWANSON: Yeah?

7 VICE PRESIDENT HODGKINS: Are any of these urban
8 levees?

9 MR. SWANSON: Not to my knowledge.
10 Jay?

11 GENERAL MANAGER PUNIA: No, these are all rural
12 levees that the district has identified, by the Corps, as
13 unacceptable.

14 MR. SWANSON: Now, this is just a subset of the
15 overall levees. And you know, there's no question about
16 the fact that everybody is starting to take a closer look
17 at maintenance. And you know, this last 15-year or
18 20-year period where our maintenance has gone downhill is
19 now being daylighted. And the expectations are
20 increasing. I mean, people are out -- you know -- they
21 are being expected to do more work. And in fact, we are
22 doing more work. You know, the critical erosion repairs
23 are addressing some of the major erosion issues.

24 There's -- you know, the increase in our
25 inspection program, where now we have engineers that are

1 starting to be brought on board so we can do channel
2 modeling so we can figure out what the level of vegetation
3 management is. We're doing more inspections on existing
4 structures, types of levees, that kind of thing. We're
5 talking about how we are going to manage encroachments
6 better.

7 So there's a lot of activity on this. There is a
8 lot of improvements that have been made. There's a lot of
9 improvements that, you know, still need to be made. And
10 then there's this whole issue with vegetation on levees
11 and there's this poor reinterpretation of existing
12 standards. And that's something that is a big concern to,
13 you know, just about everybody out here in California,
14 because we have a flood control project or projects that
15 were turned over to us, with vegetation on the levees,
16 trees on the levees. We've been operating and maintaining
17 these levees for the last 50 years. And we haven't
18 expected that people take the trees off the levees.

19 The Corps of engineers has come through and done
20 system evaluations. And we've had, you know, specific
21 projects that have come and improved our levees and dealt
22 with deficiencies, and we've never identified these trees
23 as a deficient item.

24 And so now, the discussion that maybe the trees
25 have to come off is of major concern to certainly the

1 Department, and I would think the Board also, and also the
2 resource agencies and the Central Valley Flood Control
3 Association.

4 We have been talking about it in our collaborative
5 group a little bit. And the resource agencies are all
6 taking it upon themselves to draft letters to the Corps,
7 expressing their concern.

8 We are preparing a letter that we are proposing
9 goes up to the governor's office, expressing our concern
10 with it. And, you know, I guess the big thing that we're
11 asking the Corps is to engage in some dialogue with us,
12 because we're very concerned that this could disrupt a lot
13 of the good things that are occurring right now.

14 For once, we have bond money, and we want to make
15 sure that that money is spent to reduce public risk and is
16 used in the most appropriate manner possible. We're
17 concerned that we maybe would get involved in cutting
18 trees and mining roots as opposed to putting in slurry
19 walls or building, you know, seepage blankets or fixing
20 critical erosion sites.

21 And so we want to make sure that the money is
22 spent right, that the actions are consistent with an
23 overall plan, as we move forward, that has been
24 coordinated with everybody, all the stake holders -- the
25 RDs, the rec districts, the resource agencies.

1 SECRETARY DOHERTY: You addressed that on Page 7,
2 the second paragraph. Ultimately, they are going to apply
3 ratings to each levee maintenance district.

4 But when will these standards that you are talking
5 about be established? And are they going to use the
6 standards, for instance, that they use on the Mississippi,
7 as opposed to our type of river here? Because I think
8 ours is unique.

9 MR. SWANSON: The Corps is proposing a strict
10 interpretation of their existing national standards. And
11 that's inconsistent with the interpretation that we've
12 been using for the past 50 years.

13 Right now, we're starting our spring inspections.
14 And we're going out and we're trying to identify all
15 potential problems, just so we can get a handle around
16 what's out there. We're going to provide this to the
17 local reclamation districts and say these -- these are the
18 things that we see that are of issue. We're telling
19 people, on large vegetation, that we think that trees
20 should be pruned up so that you can see underneath, that
21 if you have a tree that's leaning, ready to fall, you take
22 that out. But we're not telling anybody to go and start
23 cutting down all the trees on the levees.

24 We are waiting for the Corps of Engineers to give
25 us some, you know, definitive guidance on that. And even

1 if they give us the guidance and say, "Remove all the
2 trees," it's not going to be that simple that we would
3 just go and start clearing trees out. I mean, there's
4 going to be a huge, huge environmental process that's
5 going to be required. And so we're saying, "Talk with us
6 on this. Let's make sure that we've thought this through,
7 that we have addressed the environmental issue, that we've
8 addressed the technical feasibility issues associated with
9 this," that it's well thought out before we start giving
10 direction to people.

11 SECRETARY DOHERTY: That's -- oh, I'm sorry.

12 MEMBER BURROUGHS: Two things: One, should our
13 Board consider joining with the letter to the governor, or
14 maybe we could be on the same letter, and possibly
15 endorsing the question to the governor that you talked
16 about sending.

17 And two, when you talk about the trees, there's
18 also the brush and the elderberries. And just what's your
19 gut feeling just about the amount of elderberries. Is
20 there enough money to mitigate for all the elderberry
21 removal that would be required with this new standard?

22 MR. SWANSON: We looked in our areas. And we had
23 200 sites that we've identified on the 293-miles that we
24 maintained that have elderberries on the levees or
25 adjacent to the levees.

1 You know, if we had to move all those off, that
2 would be a huge, huge, huge cost.

3 You know, there's discussion that if you -- to
4 properly remove a tree, you would have to get the roots
5 out. If you talk about removing tens of thousands of
6 trees along, you know, hundreds of miles of levee, I can't
7 even fathom just the cost of the removal, not to mention
8 the mitigation bill. So I don't think the policy, from my
9 perspective, is practical.

10 SECRETARY DOHERTY: So if that's true, then how do
11 we change the national standard?

12 MR. SWANSON: Well, I think it would be helpful if
13 the Reclamation Board wrote a letter to the Corps -- and
14 we could get you the proper contacts -- and express your
15 concern for this proposed policy.

16 And, you know, I think the request that they
17 participate, as a partner, in developing, you know, a
18 policy that as we move forward is what -- you know, I
19 think that's what we need to stress. We need them to work
20 with us, to address public safety and deal with legitimate
21 issues. But you know, not move forward on something, from
22 a policy perspective, as opposed to from really a
23 technical need perspective.

24 And we had some discussions. We got limited
25 amounts of money. How do we best spend this to meet our

1 obligations for public safety, but we are consistent with
2 our removal obligations also.

3 MEMBER RIE: Is the Corps going to do an EIS to
4 look at the environmental impacts of their
5 reinterpretation of the existing policy?

6 MR. SWANSON: I don't think that they completely
7 thought out the issues. I think they are starting to hear
8 from people. And that's why it's important that letters
9 are written, expressing the concern and the difficulties
10 that this policy would impose on people.

11 The Corps -- from my understanding, they are kind
12 of saying, "Look, you have always had this obligation, and
13 it's your responsibility to meet the obligation. You
14 signed the assurance agreement that says, this is your
15 issue. You deal with it. This is just a maintenance
16 issue."

17 I think it starts falling apart in California,
18 because they turned over the project to us and we've been
19 maintaining it. You know, if you do that, somebody would
20 have to do an EIR.

21 MEMBER RIE: I think the State would have to do an
22 EIR, definitely.

23 PRESIDENT CARTER: I think it's probably
24 appropriate that the Board draft a letter to the Corps and
25 others, expressing concerns and the challenges and

1 whatnot.

2 So I -- and I also think that the Board ought to
3 renew its efforts on our -- we have an Interagency
4 Collaborative Task Group. Rose Marie, you are on that.
5 We ought to renew our efforts to get involved to try and
6 bring the various agencies, that are regulatory agencies,
7 as well as the decision makers, together and address these
8 concerns.

9 So I would encourage us to do that.

10 MR. SWANSON: We do have our Interagency Flood
11 Management Collaborative Group that meets on a monthly
12 basis. We have a management -- it's a management level
13 group.

14 We have not had Reclamation Board participation,
15 and we've been asking for it -- your help getting the
16 appropriate person that could represent you would be
17 appreciated.

18 PRESIDENT CARTER: Okay. We will work with that.

19 VICE PRESIDENT HODGKINS: But I have another
20 question: You now have the Corps having this on notice,
21 that there are -- however many there are, 30. The last I
22 heard is, if you don't comply, you lose the eligibility
23 for the PL funds.

24 Does that change?

25 MR. SWANSON: No. For these sites that have been

1 identified, that is, you know, the consequence of being
2 out of the compliance. You would lose the PL 84-99
3 rehabilitation funding, the eligibility for that. And if
4 any of these sites had hundred-year certification, they
5 would share the deficiency with FEMA, and that could lead
6 to loss of the hundred-year certification.

7 MEMBER RIE: So my question is, while I agree with
8 everything you have said about this, is -- you haven't
9 said this. I will say this. This is the Corps of
10 post-Katrina. This is headquarters. And this is a hard
11 thing to turn around.

12 So my question really is, while we all agree it
13 doesn't work, will we have to live with Endangered Species
14 Act and CEQA and all of that, that are we telling -- what
15 should I tell a RD 108, if they get cited, that they
16 should be doing this?

17 Shouldn't I be telling them, "You need to develop
18 the plan and you need to get that plan submitted. And if
19 you can comply with that plan within a year, you probably
20 should be complying with it, within a year. If you can't
21 comply, the plan should explain why you can't comply."
22 And don't just think we're going to get this taken care of
23 and it's going to go away, because I'm going to tell you,
24 I'm not at all certain that that's going to happen.

25 MR. SWANSON: I would agree with what you are

1 saying. I do need to make a distinction, on the 28 sites
2 that were identified, none of those sites were identified
3 and put on the list because they had mature vegetation on
4 the levees.

5 They were put on the list because they didn't even
6 comply with the maintenance standards as we have
7 historically interpreted them. And so this has just kind
8 of, you know, residual from the last 15 years where we
9 haven't even been meeting our own internal standards. And
10 so a lot of them will be able to make substantial
11 improvements through -- improvements to their roadway,
12 through better vegetation management -- just mowing,
13 burning, that type of thing, rodent abatement that, you
14 know, maybe is getting out of control, where they are not
15 out baiting. It's more than the traditional --

16 VICE PRESIDENT HODGKINS: We want the reasonable
17 traditional maintenance measures that probably should be
18 done.

19 MR. SWANSON: Yes.

20 VICE PRESIDENT HODGKINS: But the other part of
21 this is what's coming is --

22 MR. SWANSON: Yes.

23 VICE PRESIDENT HODGKINS: -- the Corps has said
24 next -- I guess, 2008, you are not going to get a year to
25 come into compliance to do the inspection. And if you are

1 not in compliance with levee standards and the mature
2 vegetation, you are going to lose eligibility for the
3 84 -- whatever --

4 MR. SWANSON: 84-99.

5 VICE PRESIDENT HODGKINS: So I think while we are
6 all trying to get the Corps to pay attention here and
7 think about the reasonableness of this, you guys got to
8 understand that if you don't do the work in terms of
9 providing the information that the Corps is requesting,
10 and we're not successful, you may lose the eligibility for
11 those emergency funds. If you are an urban area you could
12 get de-certified. So don't assume we're going to get the
13 Corps to change their minds.

14 PRESIDENT CARTER: Jay?

15 GENERAL MANAGER PUNIA: I just want to address
16 Butch's question.

17 We got this letter from the Corps on April 5th.
18 The next day, we worked with DWR and sent a letter to all
19 the local reclamation districts informing the Corps'
20 concerns and demanding from them that they should submit a
21 plan and they should try to address this in a year,
22 otherwise they would be put on an inactive list.

23 So the clock is ticking. So we are taking this
24 new approach, as you are suggesting, working with the
25 Corps to address the vegetation concerns and

1 simultaneously working with the district, including DWR,
2 to submit the plans as soon as possible.

3 MEMBER BURROUGHS: Okay. Back to my question: Is
4 that a realistic timeframe, of one year?

5 And to help me have a handle on the totality of
6 the impact, we talked about these tens of thousands of
7 trees and brushes. Of the total sites, how many do you
8 think are estimated, would be able to be in compliance
9 within a year and how many would be more than a year?

10 MR. SWANSON: You know, I'm not in a position to
11 tell you that.

12 We -- we will be asking for plans in the next -- I
13 think we asked for them by the middle of May. And so we
14 should be able to report back to -- on what the individual
15 districts are going to be able to tell us.

16 And just to amplify what Jay said, we also had had
17 a number of workshops with the local reclamation
18 districts, telling them that standards are changing and
19 you need to step up your maintenance. And so we've told
20 them that, you know, what's been occurring isn't going to
21 cut it as we move forward. And so you need to, you know,
22 step it up and start taking this stuff seriously.

23 And so it's consistent with the Department's
24 effort to rebuild our Inspection Section. You know, we
25 are trying to get money out to people, and making some

1 progress.

2 VICE PRESIDENT HODGKINS: Thank you.

3 PRESIDENT CARTER: Okay. Keith, can we move on?

4 MR. SWANSON: All right.

5 The last thing. I gave you a pretty extensive
6 list of all the legislation that's out there. Lots and
7 lots of activities. Lots of people have ideas.

8 The Department is really starting to spend some
9 time and some effort looking at that -- there's a meeting
10 that's been called next week, with our senior management,
11 to start to look at these various bills and how they might
12 affect the Department's ability to move forward with
13 California FloodSAFE. So we're going to start spending
14 some more time on that.

15 I won't go into any great detail of the bills.
16 There's kind of a summary of what's there. But it's going
17 to be interesting, as these things start heating up now.

18 PRESIDENT CARTER: Do you know, of all the
19 legislative proposals, which ones have passed committee
20 and which ones haven't? Which ones are moving and which
21 ones aren't?

22 MR. SWANSON: No, I don't. We could provide --

23 PRESIDENT CARTER: Could you get that to us?

24 MR. SWANSON: Yeah.

25 PRESIDENT CARTER: That would be helpful.

1 MR. SWANSON: That's all I had today.

2 PRESIDENT CARTER: Any questions for Mr. Swanson?

3 Okay. Very good.

4 At this time, what we're going to do is we are
5 going to move to Item 9 on our agenda, which is scheduled
6 for 10:30 a.m.

7 So Mr. Brunner will address Item 7 after we do --
8 when we get back on the calendar.

9 MR. BRUNNER: President Carter, moving TRLIA is
10 fine. I would make one special request. John Hess is
11 here to talk about certification on our levees.

12 And at this time, if I could ask that he come
13 forward and talk about the status. Just take a few
14 minutes, and then move us, but at least allow him to come
15 forward.

16 PRESIDENT CARTER: I would like to try and stay on
17 our schedule here. It's 10:30. We have an agendized item
18 for 10:30. So I would ask for your patience.

19 And let's go ahead and address Item 9 now and
20 hopefully we'll be able to squeeze Item 7 in, between 9
21 and 10.

22 Okay?

23 MR. BRUNNER: It's your action. It's really a
24 neat response from John, for you to hear. Hopefully he
25 can stay.

1 PRESIDENT CARTER: I appreciate your patience.

2 Thank you.

3 Okay. Maintenance Area Budgets.

4 MR. SWANSON: I'm back. Keith Swanson.

5 The purpose of this presentation is to present our
6 proposed 2007/2008 Maintenance Area Budget.

7 At the end of the presentation, we'll request the
8 Board to formally accept the proposed budget. I will also
9 be available to answer questions.

10 A short background, maintenance areas are formed
11 in accordance with Water Code 12878. It's when,
12 basically, the local maintainers no longer want to operate
13 and maintain in an area, or where there's no logical
14 person to step up and operate and maintain the budget.

15 Each year, DWR develops an estimate of proposed
16 costs for the coming year. We noted in the local papers
17 that we're going to bring it in front of the Board, and
18 then we provide the budget to the Board by April 1st, and
19 we schedule a hearing in -- during the April meeting.

20 Once a budget is adopted, we pass that information
21 on to the counties. The counties petition the costs or
22 allocate the costs to individual parcels, and bills are
23 sent out on the annual tax bills.

24 The 19 -- the 2005/2006 budget, last year, when I
25 was in front of you, I said that it was likely going to

1 have an 11 percent surplus. It actually turned out to be
2 15 percent less than -- our expenditures were 15 percent
3 less than the approved budget. The difference between the
4 11 and 15 percent was a mower that we had tried to buy in
5 Maintenance Area 9, and we ended up having to defer it
6 just because of procurement issues.

7 We did over-expend in Maintenance Area 3. We had
8 a \$5,000 over-expenditure above and beyond our approved
9 budget. And that was associated with petroleum costs and
10 encroachment removal costs. As far as this year, the
11 2006/2007 expenditures, we're currently projecting to be
12 8 percent under the approved budget of 2,700,000. We have
13 surpluses in eight of the ten maintenance areas.
14 Significant savings are in five of the MAs.

15 In MA 1, there's \$125,000 savings, where we didn't
16 have to do restoration work because of the bond funding
17 that was available to fund work that we were thinking
18 about having to cover at least the design portion with
19 maintenance area funds. Also, because of that mild
20 winter, we didn't have to do any patrolling.

21 MA 5, we had a \$54,000 savings, and that was,
22 again, restoration work.

23 MA 9, \$57,000 savings, no patrolling.

24 MA 12, 15K savings, patrolling, equipment savings.

25 And then MA 13, \$19,000 savings again. Again, we

1 didn't have to do the petrolling.

2 We overexpended in two maintenance areas MA 3,
3 \$6,000, we ended up having to do a lot of the restoration
4 work after last winter's damage to the slopes. We had the
5 high water on the Feather.

6 And then in MA 17, we replaced the pipe and we
7 went over -- we were projecting over our approved budget
8 by \$7,000.

9 In 2008 -- in 2007/2008 proposed budget, gave it
10 to you in the package. It's a budget of \$2,427,484. It
11 reflects the 10 percent decrease relative to last year's
12 approved budget.

13 The cost reductions are really pretty much in
14 three maintenance areas. MA 1 and MA 5, we had been
15 budgeting restoration work, in the past years. Now with
16 bond funding, we've taken some of that burden away from
17 the MAs.

18 And then in MA 9, we had a drop in equipment costs
19 and material costs. We were able to buy the new mower
20 that we talked about. As we're starting to replace some
21 of our older equipment, our maintenance costs are
22 dropping. Then we have a reduction in material costs.

23 So in conclusion, I would like to formally request
24 the Board to approve the proposed 2008 -- 2007/2008 budget
25 \$2,427 484 as detailed in your package.

1 And at this point, I will take questions.

2 SECRETARY DOHERTY: I have a question for you.

3 Among the items, you have encroachment removal. You
4 combined your cleanup on the levees and removal of
5 unauthorized structures.

6 Do you have a lot of those?

7 MR. SWANSON: Yeah. It's a never-ending battle.

8 In the urban areas, that's a huge, huge issue, because
9 every weekend, people come back from -- go to Home Depot,
10 and they are going to put sprinkler systems, stairs,
11 plant -- you know, put their tomato plants on.

12 Out in the rural areas, we get a lot of the
13 farmers that want to push up their tree trimmings on the
14 slopes or put their broken-up concrete pipes on the
15 slopes. And so we are working with them to get them to do
16 it, to rectify the situation, or sometimes we take care of
17 it.

18 SECRETARY DOHERTY: But you can't bill them for
19 it?

20 MR. SWANSON: We can't. We can't bill them. I
21 mean, we try to get them to be responsible neighbors and
22 they add this extra burden on to us.

23 SECRETARY DOHERTY: Okay.

24 PRESIDENT CARTER: Mr. Swanson, what -- I -- where
25 is the money that is expended to maintain the levees that

1 DWR maintains under Section 8361 of the Water Code, like,
2 for example, the two sides, the Tisdale, some of the
3 Sutter bypass --

4 MR. SWANSON: That's not included. We maintain
5 that with General Fund appropriations.

6 My branch's overall budget now, with recent
7 increases, is about a \$20 million budget, and then we get
8 additional money through the bond for specialized
9 projects, like Tisdale Sediment Removal.

10 And so the General Fund allocation pays for our
11 channel maintenance and our 143 miles of levees that we
12 maintain under Water Code Section 8361. We do not present
13 that to the Board because that's done under the -- under
14 Department jurisdiction. We just present the maintenance
15 areas to you.

16 Now, if you would like to have a subcommittee and
17 spend some time looking at our overall budget that we have
18 for maintenance, I would be happy to meet with, you know,
19 a subgroup and show that.

20 But typically, we haven't presented in our overall
21 \$20 million budget and how we spend that, to the Board.

22 PRESIDENT CARTER: Okay. I guess I would be
23 interested in seeing the figures, whether -- regardless of
24 whether the Board is responsible for approving it --

25 MR. SWANSON: Sure.

1 PRESIDENT CARTER: -- it's certainly a significant
2 portion of the system and a significant portion of the
3 amount of work that DWR does on levees for the system.

4 MR. SWANSON: Levees and channels. And channels
5 are probably even a more expensive portion of that.
6 Because this is about -- the 2.4 million is about a
7 quarter; is that right? No, it's about an eighth, eighth
8 to the overall budget. \$20 million budget, 2.4 is
9 maintenance area.

10 PRESIDENT CARTER: Okay.

11 MEMBER BURROUGHS: Mr. President?

12 PRESIDENT CARTER: Yes.

13 MEMBER BURROUGHS: One comment, one question.

14 PRESIDENT CARTER: Yes.

15 MEMBER BURROUGHS: My comment is under rodent
16 control. I would like to share with you that gum is a
17 very good use of rodent control. It might be less
18 expensive.

19 MR. SWANSON: Gum?

20 MEMBER BURROUGHS: Um-hmm.

21 And my second question then is --

22 SECRETARY DOHERTY: Chewing gum?

23 PRESIDENT CARTER: Chewing gum?

24 MEMBER BURROUGHS: Yes.

25 PRESIDENT CARTER: It's a bait?

1 MEMBER BURROUGHS: Yes.

2 PRESIDENT CARTER: Okay.

3 GENERAL MANAGER PUNIA: Do they choke on it?

4 MEMBER BURROUGHS: No, they can't digest it.

5 Anyway, might check that out.

6 PRESIDENT CARTER: Almond flavored chewing gum.

7 (Laughter.)

8 MEMBER BURROUGHS: And my question -- I wanted to
9 bring this question up, because it had been in the past.
10 But under your amount for vegetation control, it seems to
11 me, in the past, we had asked the questions about looking
12 at grazing as a possible tool for vegetation control.

13 And I don't think that has ever come back up to
14 the Board. So I just wanted to ask that question.

15 Thank you.

16 PRESIDENT CARTER: Any other questions for
17 Mr. Swanson?

18 SECRETARY DOHERTY: A question -- and I don't know
19 whether you are the one I should ask this of or not. But
20 you also help keep the Sutter Bypass clean; correct?

21 MR. SWANSON: Yes.

22 SECRETARY DOHERTY: And how can I find out what
23 the capacity of that conveyance -- that part of the
24 conveyance system was, when it was originally designed?

25 MR. SWANSON: We can get you that information. It

1 will be in the O&M manual. The -- you know, there's the
2 design capacity, what the Corps says it was designed to
3 handle. And then in some of the portions of the system,
4 there's the reality of what it really can pass, because
5 you know -- that's the question of Tisdale Bypass, where
6 it has a 38,000 CFS design capacity. But the only way you
7 can get 38,000 cubic feet per second to pass through it is
8 if you don't have water in the Sutter Bypass. And that
9 typically doesn't occur now within the system.

10 SECRETARY DOHERTY: If you could get that
11 information to me I would really appreciate it.

12 MR. SWANSON: We talked about the design flow
13 going down the bypass there. But yeah, I can get you
14 that.

15 PRESIDENT CARTER: If there aren't any other
16 questions, we'll entertain a motion to take action on the
17 proposed budget for the maintenance.

18 VICE PRESIDENT HODGKINS: So moved.

19 GENERAL MANAGER PUNIA: Second.

20 PRESIDENT CARTER: Okay. We have a motion to
21 approve DWR's proposal for fiscal year 2007/2008
22 Maintenance Area Budget pursuant to Water Code 12878.

23 Motion and a second.

24 Any other discussion?

25 VICE PRESIDENT HODGKINS: I would just like to

1 thank Keith for putting together a package that was
2 concise but had the information in it that allowed us to
3 take a quick look at it. It was well done.

4 PRESIDENT CARTER: And to get it to us on a timely
5 basis. Thank you.

6 All those this favor of the motion, indicate by
7 saying "aye."

8 (Ayes.)

9 PRESIDENT CARTER: And opposed?

10 Motion carries.

11 We have some time. How about Item 7, Three Rivers
12 Levee Improvement Authority Monthly Report.

13 If you would like to start with Mr. Hess, you can
14 do that. It's your pleasure.

15 MR. BRUNNER: Well, I think I would.

16 I'm Paul Brunner, executive director.

17 We do have good news on certification. I would
18 like to point out the areas that we are going for
19 certification.

20 I may need some help with the graphic. I have
21 come before the Board, on several occasions, talking about
22 certification. The areas that we were working on is the
23 Yuba, from Highway 70 to Simpson Lane, Western Pacific
24 Interceptor Canal, and the Bear River Setback area in
25 here, are the areas we have turned in for certification.

1 And the Corps has been processing, and we've been
2 working back and forth with items that they've asked us to
3 address.

4 And with that, I will ask John to come forward and
5 give you the status on that.

6 John?

7 MR. HESS: Thank you. I'm John Hess with the Army
8 Corps of Engineers, here in Sacramento. I'm the chief of
9 the Geotechnical Environmental and Engineering Branch.

10 This can be very brief. We are preparing a draft
11 letter, probably starting today, for levee certification
12 for the areas that Mr. Brunner just denoted. And that
13 will be processed for signature, through the Reclamation
14 Board. I believe you have copies of those automatically,
15 as will FEMA.

16 There's a great deal of effort to -- to do this
17 levee certification. I think it's fair to say, the Corps
18 takes these very seriously, partly based on the very few
19 pieces of levee in our system that are presently
20 certified, and by one recent decertification in the
21 system. So we take this very seriously.

22 TRLIA has taken it very seriously as has Paul
23 Brunner. And his staff and consultants have responded in
24 an outstanding manner to all of our questions and requests
25 for additional analysis. And there's been excellent

1 response to our needs for certification.

2 We have done additional analysis on our own and
3 are ready to certify those portions of the system for
4 FEMA.

5 Any questions?

6 PRESIDENT CARTER: Just to clarify, Mr. Hess.

7 I'm referring to Page 1 of the Three Rivers Levee
8 Improvement Monthly Report. They talk about Corps
9 certification. There's four items there: There's Yuba
10 River south levee from Highway 70 to Simpson Lane; Item 2
11 is the Yuba River/Feather River east levee from Highway 70
12 to Island Avenue. That was removed from the TRLIA
13 certification request; so Item 3, Bear River north levee
14 from Western Pacific Interceptor Canal to the Feather
15 River. And the Item 4, the Western Pacific Interceptor
16 Canal west levee from Highway 70 to Bear River.

17 So of those four items, items 1, 3 and 4, the
18 Corps is proceeding with certifying those?

19 MR. HESS: That's correct. And those reaches will
20 be denoted specifically in the certification letter.

21 PRESIDENT CARTER: And then can I just ask the
22 status -- and maybe it's more appropriate for
23 Mr. Brunner -- of the Yuba River/Feather River east levee
24 from Highway 70 to Island Avenue.

25 MR. REINHARDT: Ric Reinhardt, Three Rivers

1 program manager.

2 That reach has an erosion site right at the
3 confluence of the Yuba and Feather River that we -- the
4 Corps had requested additional analysis to see if that
5 erosion site was a threat for FEMA certification or not.

6 We produced a draft memo where we believe that it
7 is a threat to FEMA for a hundred-year event, and so we
8 are recommending that that site be repaired prior to
9 certification.

10 It was a part of our program before, to repair it.
11 That it was going to be necessary to get to 200-year. We
12 now determined it's necessary for 100-year. And so
13 certification of this reach will not occur until
14 construction of that reach occurs, and I suspect that will
15 be in 2008.

16 PRESIDENT CARTER: Okay. Thank you.

17 Mr. Bradley?

18 CHIEF ENGINEER BRADLEY: Steve Bradley, chief
19 engineer for the Reclamation Board.

20 I guess I have a question for John Hess and the
21 Corps. This is certification for FEMA purposes. We do
22 still have the Bear River levee that was set back, that is
23 still not part of the federal project.

24 And I would like to know when that will be
25 accepted by the Corps as part of the federal project and

1 turned over to the Reclamation Board.

2 MR. HESS: And I'm the wrong person to answer that
3 question, but I will carry that question back to Corps
4 staff, and get back to you.

5 PRESIDENT CARTER: Okay.

6 MR. HESS: I might add one thing on the levee
7 certification. It's now standard for the Corps, per our
8 directives from headquarters to advise that that
9 certification, it will be good for ten years. At a
10 ten-year period, there will be a likely review of that.
11 If there's any changes, certainly, in the interim, there
12 might be an earlier review. But ten years is now what we
13 are putting in our levee certification letters for a
14 mandatory review.

15 PRESIDENT CARTER: What was the review period
16 prior to now?

17 MR. HESS: There was none.

18 PRESIDENT CARTER: They were good for life?

19 MR. HESS: Correct.

20 PRESIDENT CARTER: Guaranteed?

21 MR. HESS: Or until there's a change.

22 PRESIDENT CARTER: Thank you.

23 MEMBER RIE: Mr. Hess?

24 MR. HESS: Yes?

25 MEMBER RIE: Mr. Hess, on this particular

1 certification, is the Corps using the FEMA criteria or the
2 risk and uncertainty criteria?

3 MR. HESS: We are using FEMA criteria, the CFR,
4 because we made the commitment to the State and the TRLIA
5 to use that process.

6 However, we also did our own independent check
7 using RNU, found it was essentially the same. And so
8 we're -- we're just fine, whether it would be RNU or FEMA
9 criteria, we could still certify.

10 GENERAL MANAGER PUNIA: Thank you.

11 VICE PRESIDENT HODGKINS: John, the ten-year
12 review, is there a process, a procedure, a TM or an ER or
13 whatever?

14 MR. HESS: Not yet. That document, that I
15 mentioned earlier, that may be coming up, it may include
16 that. But without seeing a draft, I don't know.

17 I would imagine, that review would not necessarily
18 have to be a full certification review. It should be an
19 initial review of what's changed, are there any reasons
20 not to continue that certification? I would hope that
21 would be it.

22 VICE PRESIDENT HODGKINS: I'm really interested in
23 seeing where hydrology comes in. So could you keep us
24 appraised [sic] when that comes up?

25 MR. HESS: We certainly will.

1 VICE PRESIDENT HODGKINS: Thank you.

2 MR. BRUNNER: Thank you, John.

3 TRLIA would very much like to thank the Corps, all
4 the way, to carrying this to completion. For us, it's a
5 huge significant event that we have achieved this
6 milestone and moved forward on the levee work that we have
7 done.

8 The -- for the rest of my report, I'm going to be
9 very brief. We did come through -- turn in a supplemental
10 report for you. Our goal is, that will be our last
11 supplemental report. All the information will be provided
12 to you in the very first report that we turned into you.
13 The building permits we rolled into that, so you have that
14 all at the same time, prior to the meeting.

15 The -- we did have a subcommittee meeting on March
16 22nd. The minutes in that are posted. Transcript is on
17 your Web site already.

18 There's a significant item though. I think it's
19 worthwhile, for the members that didn't attend, if you
20 haven't looked at it, is, we did produce, for the March
21 22nd meeting, a memo that came forward, that dealt with a
22 lot of the compliance items. It's attached to the
23 supplemental report that we gave you.

24 I think it's worth reading. It deals with many of
25 the issues that have come before the Board before, and I

1 think we've dealt with them here. And it has review and
2 has comments that came from your staff included in there.

3 The end result of that, I think TRLIA's actions
4 were appropriate and found to be satisfactory and were
5 fine.

6 The -- we also gave many briefings on the setback.
7 The briefings that we have done at those meetings are
8 posted on our Web site. So if you don't already have
9 copies of that and would like to see those briefings, they
10 are posted there. We could always get you color copies
11 for yourselves.

12 On our project -- a couple of notes on our levee
13 work. The highlight is on the Yuba. There's been a lot
14 of the discussion that we went through, on the Caltrans
15 Detention Basin, on that. We did submit the encroachment
16 permit. Thank you for your help on that. And the Rec
17 Board staff is processing that. And we'll go with that.

18 The surface grate that was on -- that was
19 identified has been repaired. So that's behind us too.

20 The -- nothing really to report on the Bear River
21 Setback or Yuba River Levee itself on Phase 4. Moving
22 forward on just doing regular O&M, on that. And really,
23 on the Phase 4, we're waiting for the hydraulic analysis
24 to come back, whether or not we can raise it or not.
25 That's down the road.

1 The -- on Feather River, Phase 4, we are busily
2 working to prepare the Prop 1E application. For us,
3 that's Segments 1, 2, and 3, for the Feather River. And
4 the due date for us to submit that is 1 May. So we'll
5 make that due date and turn it in. And we'll go through
6 the processing that we described during subcommittee
7 meetings, and hopefully we'll end up with a signed
8 agreement somewhere in the June timeframe for funding.

9 On Segments 1 and 3 -- this is Item No. 11 on your
10 agenda, later on. As we go through the discussion on
11 that, we'll be talking about some of these items. So I
12 will leave a lot of this until that discussion. We do
13 have the Segments 1 and 3 out for bid. And we're getting
14 back responses from that. And there are some responses on
15 that, that we'll talk about on Item 11.

16 The -- and then Segment 2, we're under design and
17 we're also doing the land acquisition. Segment 2 deals
18 with the setback, which is that location, right there,
19 that I was pointing to. That -- we're asking for a
20 Section 104 credit letter. And that's Item 12 on the
21 agenda today. So we'll also circle back and have a
22 discussion about that, at that time.

23 I have a building permit graph.

24 (Thereupon a slide was presented.)

25 MR. BRUNNER: It looks like it's picking up just a

1 little bit, but not skyrocketing, in the Plumas Lake area.

2 In the month of March, there are 78 building
3 permits that were issued. So far, for the -- for 2007,
4 205 building permits have been issued. So making some
5 progress, but it's not very, super busy.

6 I'm going to ask Scott Shapiro to come forward and
7 address an item that's come up on funding, that I believe
8 you have in front of you, that's been raised on our cash.

9 And then Scott will return the podium to myself.

10 Scott?

11 SECRETARY DOHERTY: Mr. Brunner, before you go, I
12 have a question for you.

13 It concerns the Phase 4, the Feather River Levee
14 between the Bear and the Yuba Rivers. And your last one,
15 C, Segment 2, Design and Land Acquisition, is underway.
16 Well, now you are already acquiring land when you don't
17 even know whether you are going to get a permit to do the
18 setback; right? Is that correct?

19 MR. BRUNNER: We are moving forward to make
20 appraisals and make offers to people in Segment 2.

21 SECRETARY DOHERTY: You are doing what?

22 MR. BRUNNER: To make offers to the residents for
23 Segment 2, for the foundation on the alignment that we
24 have.

25 MEMBER BURROUGHS: We've received letters that

1 have stated, from landowners, that there has been
2 movement, forward, in the process of condemnation. The --

3 PRESIDENT CARTER: I think maybe we ought to hold
4 off, because we do have an item to address this. I think
5 it's Item 11 on the agenda today. So let's hold off on
6 this discussion, because that's specific to that item,
7 rather than talking about it now and revisiting it then.

8 MR. BRUNNER: Segment 2 is actually Item 12.

9 PRESIDENT CARTER: I'm sorry. Item 12.

10 MR. BRUNNER: And the Resolution of Necessity
11 actually deals with Segment 2 -- actually, it's Segment 3.
12 No Resolution of Necessities has been issued for Segment
13 2.

14 PRESIDENT CARTER: I think we ought to -- there is
15 a discussion that we need to have, but let's have it as
16 agendized.

17 MR. BRUNNER: Okay. Scott?

18 MR. SHAPIRO: I just have a brief comment to make.

19 Some of you may have seen a press release issued
20 by CCRG, Concerned Citizens for Responsible Growth, in the
21 last month. And the press release makes an assumption,
22 which is incorrect, and then bases a lot of the analysis
23 on that assumption. And I thought it was important to
24 clarify.

25 In particular, it speaks to \$35 million of

1 developer funds disappearing. And I wanted to clarify
2 where we think that conclusion came from, because there is
3 not \$35 million in developer funds disappearing. You will
4 all recall, \$135 million number that we banter around.
5 And that was the second funding agreement commitment for
6 the developers. In particular, it's \$90 million for
7 construction and a \$45 million contingency. That's what
8 the document says. So it's a total obligation of
9 \$135 million.

10 We think that this confusion of 35 million
11 disappearing comes from this Three Rivers Projected Cash
12 Flow Table, which was included in one of the PowerPoints
13 that we did during the two subcommittee meetings. And you
14 may recall, for those of you who were at those meetings,
15 this is how we projected cash flow would occur over the
16 next two years, with detail up until September, and then a
17 conclusion line for the rest of the project at the end.

18 This cash flow table totals projected landowner,
19 total project contribution, at a \$1.5 million. So as I
20 was trying to figure out where the 35 million number came
21 from, I took the 135, subtracted 35, came to a hundred,
22 and then looked for something that said a hundred, and
23 that's what I found. And so what I think occurred is that
24 people looked at this and incorrectly assumed that Three
25 Rivers had somehow signed a new contract that lowered the

1 developer obligation from 135 to a hundred. And that's
2 not what occurred.

3 This cash flow is just that. It's a projection.
4 It's based on assumptions. Two key assumptions are what
5 it's going to cost to do the project and what we think the
6 state will cost-share at. Either of those will change
7 every number on here. And that number at the end will be
8 whatever the number is at the end.

9 Indeed, this is like apples and oranges, to
10 compare it to the 135 number. 135 is the commitment.
11 This is simply a projection of what the ultimate
12 obligation might be. Remember that the original
13 landowner's hope was, it would be 90 million, with a
14 \$45 million contingency. So I hope that helps explain it.

15 I see Tom Foley with CCRG is here. So if I
16 misinterpreted the 35 million, I'm happy to come back and
17 try to address it. We felt it was important to at least
18 set the record straight. There has not been a new funding
19 agreement that has any way released developer obligation.

20 Unless you have any questions, that's all I have
21 to say.

22 PRESIDENT CARTER: Any questions?

23 MEMBER BURROUGHS: I don't have a question. I
24 have a request.

25 When any of our Board members attend the

1 subcommittee meeting, I would like to have a copy of any
2 handouts that are given.

3 Thank you.

4 MR. SHAPIRO: I do have an extra copy of the
5 PowerPoint, if you would like it now.

6 MEMBER BURROUGHS: Okay. Thank you.

7 MR. SHAPIRO: Sure.

8 MR. BRUNNER: I have one other item that I wanted
9 to address, that's come up on several occasions, as
10 recently as Tuesday, at my TRLIA Board meeting, where I
11 clarified a point. And I see, it has come forward in
12 Mr. Archer's letter to you, most recently, about the Yuba
13 River, Phase 1, and the length of the levee -- cutoff wall
14 that's been installed on that levee.

15 (Thereupon a slide was presented.)

16 MR. BRUNNER: The area that I'm talking about is
17 right -- right in through here, where the red and green
18 is. That's Phase 1. That's where we had the '86 break.

19 The comment is that we really only have 1100 feet
20 of levee that was put in there. And we're supposed to
21 have 2200 feet. Well, we do have 2,191 -- 95 linear feet
22 of levee that was installed. Their encroachment permit
23 was -- asked us to put in 2200, so we came really very
24 close to that one.

25 And the documentation -- that I've provided to

1 Mr. Archer, at my TRLIA Board meeting -- or spoke to
2 him -- that we had was the as-built drawings that show
3 this.

4 After the discussion of that, we still are being
5 asked, why did we only put in 1100 feet? I think the
6 as-built drawings, our encroachment permit, are really
7 solid evidence that we did what we said we were going to
8 do.

9 And that's my final comment. And if there's any
10 questions, I would be glad to respond.

11 PRESIDENT CARTER: Any questions for Mr. Brunner?

12 VICE PRESIDENT HODGKINS: Mr. Chairman, would this
13 be an appropriate time for a brief summary of the
14 subcommittee meeting conclusions, or would you prefer to
15 defer that?

16 PRESIDENT CARTER: We could have a brief summary.
17 That would be fine.

18 VICE PRESIDENT HODGKINS: Okay.

19 Just briefly, the situation that the subcommittee
20 was trying to understand was, with TRLIA's commitment to
21 go to a setback levee, whether they still have the funding
22 and the ability to move that project forward, consistent
23 with the Board's understanding of the original project.
24 And fundamentally, our understanding was that they would
25 complete the work before the winter of 2009.

1 We heard testimony in two subcommittee meetings
2 that fundamentally boil down to show that if everything
3 goes perfectly, they will be able to move forward, and
4 potentially, by their schedule, complete the work on the
5 Feather River levees by the end of -- before the winter of
6 2009.

7 They will -- the work that will be completed will
8 be -- that the setback levee will have been constructed,
9 and the other two reaches of the levee will have been
10 strengthened and reinforced. They will not actually
11 remove the existing levee where they have constructed the
12 setback levee until the spring of 2009. But the levee
13 would be there, providing protection.

14 And I think the subcommittee generally agreed that
15 what we need to do is to continue to monitor, based on
16 that schedule.

17 And you raise a good point, in making sure that
18 the subcommittee -- all of the Board members have the
19 spreadsheet that shows when various amounts of money have
20 to come in, for them to stay on schedule.

21 The big uncertainty here is whether they will get
22 money from the state, by July, which is when they need it,
23 in order to be able to go forward with the work on the
24 Feather River.

25 And so we're going to continue to monitor that,

1 and I will get the Board members a copy of the information
2 that was provided, but particularly, I think the
3 month-by-month cash flow, which is the critical element
4 here in moving forward with the project, assuming that
5 permits come forward in a timely way.

6 We did spend a fair amount of time on issues
7 associated with the permits and compliance with the
8 permits. I want to thank Mr. Fua for helping us all to
9 understand the issues, many of the issues that had been
10 raised by Mr. Archer with respect to the levee along the
11 Yuba.

12 I think the one not resolved is, fundamentally,
13 Mr. Archer doesn't believe that the work that's been done
14 by the Corps and by TRLIA's engineers on the Yuba is
15 adequate, because the emergency repair rocks that were put
16 there after the break, in 1987, have not been removed.
17 There's a fundamental disagreement between Mr. Archer and
18 the technical world about whether that repair is adequate.
19 And that will continue, I think, to be an issue that he
20 will continue to raise.

21 The other issues that have been raised, I think,
22 fundamentally, finally, it became clear that while there
23 was a permit submitted to do that work, the work was never
24 approved. So there were items like flattening the slope
25 of the levee. And I don't remember all of the others.

1 But in effect, we never granted a permit for them to do
2 that work. So it's never been done, and it's still out
3 there.

4 But it hinges on whether or not we approve
5 raising -- it doesn't hinge on. But TRLIA's approach has
6 been, so far, to do the work when they get permission to
7 raise the levee. And at this point in time, we haven't
8 given them permission to do the work or to raise the
9 levee. So it's not that they haven't done what they
10 needed to do. They didn't get a permit to do what it
11 looked like the permit said they could do.

12 So I -- it could be discussed in more detail on an
13 individual basis, if there's any interest.

14 But I thought Dan's explanation finally brought it
15 clear -- home to all of us.

16 Thank you.

17 PRESIDENT CARTER: Any other questions?

18 I did have one question for Mr. Brunner.

19 In your original monthly report, on Page 2, you
20 refer to utility crossings and trying to get the -- you
21 are seeking the Reclamation Board's help to get as-built
22 information from the utility, the PG&E gas, AT&T, Sprint,
23 Comcast, Kinder Morgan.

24 MR. BRUNNER: Right.

25 PRESIDENT CARTER: Do you still need that help?

1 And how can we -- in what form would you like help?

2 MR. BRUNNER: Well, we have had assistance from
3 Jay, Jay Punia, on where I have approached -- and Jay's
4 open to sending letters on our behalf to the utility
5 companies, requesting them to respond.

6 I have offered to prepare those letters for Jay.
7 And back on Monday, I will be providing drafts for him to
8 edit and send out for really asking for them to respond by
9 May 9th, May 15th, offering them some dates, for the Rec
10 Board to be supportive for getting the information. So we
11 are getting help. And the Rec Board staff is helping us
12 on that. I think that will be satisfactory.

13 PRESIDENT CARTER: Okay. Thank you. Okay.

14 Any more questions for Mr. Brunner?

15 What I would propose is that we take a ten-minute
16 recess right now. There are some folks from the public
17 that want to address this particular item. We will come
18 back and do that. And then we will move on with our
19 agenda.

20 So let's take a ten-minute stretch, and we'll be
21 back here in ten.

22 Thank you.

23 (Thereupon a break was taken in
24 proceedings.)

25 PRESIDENT CARTER: Ladies and gentlemen, if we can

1 go ahead and continue with the meeting.

2 We are on Item 7, Three Rivers Levee Improvement
3 Authority Monthly Report. We've heard from Mr. Brunner,
4 Mr. Hess, and we've concluded, I believe, the questions
5 from the Board.

6 Are there any questions from the Board or staff
7 with regard to the monthly reports?

8 MEMBER BURROUGHS: I don't have a question. I
9 have a comment and a request.

10 And while it states here that the supplemental
11 report won't be handed in at the last minute for future
12 meetings, I would like the Board to work with legal
13 counsel in forming a resolution about information, whether
14 it's just informational or an action, that it be given to
15 the Board as well as to the staff in a timely manner.

16 Thank you.

17 PRESIDENT CARTER: That's something that we can --
18 that discussion we can revisit a little later on, when we
19 talk about Items 15 or 17 as well, later on today.

20 Mr. Foley, do you want to address the Board on
21 Item 7?

22 MR. FOLEY: Yes, thank you.

23 Good morning, Chairman and the Board. Thank you
24 for letting me speak. In response to what Mr. Shapiro
25 said, I got the \$135 million --

1 PRESIDENT CARTER: Would you introduce yourself
2 for the record, please.

3 MR. FOLEY: Tom Foley. I'm the director of a
4 small nonprofit in Yuba County, Concerned Citizens for
5 Responsible Growth. We've been involved in '03 and
6 started in '04.

7 I've kept on -- paying attention. I know pretty
8 well what's transpired and what's going on.

9 I got the \$135 million figure, that Mr. Shapiro
10 referred to, from his testimony May 19th, 2006. This was
11 the meeting where the Board was voting to lift the
12 implementation. One of the Board members had
13 reservations. Mr. Shapiro said -- it's in the transcript,
14 said, \$135 million guaranteed before we lift the thing.

15 That's where I got the 135. \$135 guaranteed. So
16 at least, Mr. Shapiro gave false testimony to this Board.
17 "Guaranteed" means something.

18 That was at the Board meeting where you were
19 voting to lift, and he give that testimony, \$135 million
20 guaranteed. That's where I got that number.

21 Concerned Citizens asked to be placed on this
22 month's agenda for a request that the Board consider
23 taking over all -- everything from RD 784 from TRLIA. And
24 we weren't able a get that on the agenda. Mr. Fua said it
25 would be okay to speak now. So I would like to speak on

1 that.

2 The public has put up billions in bond money for
3 Central Valley Flood Control. To match those billions,
4 now the public needs competent, sincere flood control
5 officials. TRLIA doesn't qualify. TRLIA is
6 developer-dominated, and developers have little interest
7 in a well thought-out flood control system.

8 Much of TRLIA's efforts -- I have been there; I
9 have seen it. I have watched over the past few years --
10 have been aiding developers in avoiding paying for flood
11 control projects.

12 Yuba County's own study -- I passed this out at
13 the February 16th meeting, a commission study by Yuba
14 County, a nexus fee study, by Economic Planning Systems.
15 They estimate -- you know how they do that. But the
16 reasonable fee is \$200 million from RD 784 levee
17 infrastructure fees. Anything less than that, that
18 \$200 million figure, is developers working the system to
19 avoid -- avoid paying their infrastructure costs. The
20 levees are infrastructure, the same as road, sewers, and
21 water systems.

22 West Sacramento just recently passed an ordinance
23 in lieu of levee infrastructure fees, this week.

24 Developers usually do not pay infrastructure fees
25 if they are not required to. Developers in Yuba County

1 have been helped a great deal by local officials in
2 avoiding paying infrastructure costs.

3 The former Rec Board stepped in and denied a
4 permit until the local officials got serious about
5 providing flood control. How much less than 200 million
6 is this Rec Board going to allow the developers of RD 784
7 to pay?

8 The locals have been lax in their
9 responsibilities. Now the public must depend on the Rec
10 Board and the Legislature to ensure the public's not
11 cheated on levee infrastructure. And by that, ensure that
12 improved flood control is provided quickly. The public
13 needs the infrastructure fees as much as we need the bond
14 fees.

15 Water Code 8645 is a provision that the Rec Board
16 declare an emergency to protect life and property, proceed
17 to build the necessary levees, and assess property after.

18 The governor has already declared ongoing levee
19 repairs to be an emergency. We think the Rec Board -- we,
20 CCRG -- we think the Rec Board should not grant TRLIA any
21 more permits and take over from TRLIA immediately.

22 There will be 200 million available, from 1E, for
23 RD 784. I believe 200 million is the tops. The Rec Board
24 should immediately confer with the Legislature who will be
25 appropriating the money and DWR, to put that money to work

1 to the best interest of the public. The Rec Board's
2 authority in the Central Valley is badly needed now.
3 TRLIA, if allowed to by the Rec Board, will continue
4 helping developers with beating the public on levee costs.
5 TRLIA has been in default, potential default, on an
6 agreement with the Rec Board for weeks. Nobody mentioned
7 that today.

8 What is the Rec Board doing about that? Is the
9 Rec Board also developer-dominated and helping TRLIA to
10 stick the public with levee costs, that TRLIA and the
11 builders promised to pay and now are not paying?

12 If the Reclamation Board has an implementation
13 agreement with default provisions so ensure that those
14 meet their promises, why would the public not expect it to
15 be enforced?

16 The Rec Board has had plenty of experience with
17 TRLIA. TRLIA's engineering is second rate and not good
18 enough for urban areas. TRLIA's cost and revenue
19 projections are meaningless. Mr. Hodgkins said everything
20 has to go perfectly. Nothing ever goes perfectly. They
21 changed daily. Nothing can be planned around what TRLIA
22 says. TRLIA really no longer serves a public purpose.
23 The Board should recognize that and take over. TRLIA can
24 make no assurances about funding. The Rec Board has
25 200 million from LE and whatever levee fees can be

1 extracted from unwilling developers.

2 Should the public not expect builders to pay the
3 levee infrastructure costs? They won't pay if -- they
4 won't pay if they can talk or threaten their way out of
5 it. If the Board is developer-dominated and won't act,
6 the public has the Legislature as a resort. The public --
7 the Legislature will be appropriating the moneys.

8 TRLIA has no real funding capabilities. And the
9 Rec Board does not need to take any of TRLIA's threats
10 seriously.

11 There is a program, that I brought up, way back,
12 last summer, called the Statewide Community Infrastructure
13 Program that if developers can't find the money, they deem
14 the loss. The money comes later. Which should be looked
15 into here. But the counties and the developers have to
16 cooperate for that to work.

17 Thank you.

18 PRESIDENT CARTER: Any questions of Mr. Foley?

19 SECRETARY DOHERTY: I have a question, Mr. Foley.

20 Are you saying that the developers or TRLIA
21 appropriated or were given \$200 million by Levee District
22 784?

23 MR. FOLEY: No. The Yuba County commissioned a
24 fee study. When you impose fees on somebody, you have to
25 do a nexus study to show that there are reasonable costs.

1 SECRETARY DOHERTY: Right.

2 MR. FOLEY: In Yuba County, this fee study
3 estimated reasonable costs, levee infrastructure fee costs
4 from the developers to be around \$200 million.

5 SECRETARY DOHERTY: Well, I misunderstood you. I
6 thought you said that Levee District 784 give 200 million
7 to TRLIA?

8 MR. FOLEY: No.

9 SECRETARY DOHERTY: Thank you.

10 PRESIDENT CARTER: Any other questions for
11 Mr. Foley?

12 Thank you.

13 Okay. Moving on, we'll move to our timed item,
14 No. 10, Property Management, scheduled for 11:00 a.m.
15 Assignment and Amendment of Agricultural Lease Nos. 94-2
16 in Yuba County.

17 Mr. Fong?

18 MR. FONG: Yes, good morning, President Carter and
19 Members of the Board, General Manager Punia.

20 I'm here today to talk about Lease 94-2. This is
21 a property that the Board owns along the Feather River,
22 just waterward of the levee, on the overflow area, roughly
23 between -- just north of Broadway. And this is a 120-acre
24 parcel that's under lease for a period of ten years. And
25 it expires -- the lease expires October 31st and has three

1 renewal periods of five years each, following that.

2 And I'm here to talk about two actions today. The
3 first action is the assignment of the lease from the
4 current lessee, Brent Hastey to Mr. Raj Sharma. And the
5 second action item is the request by Mr. Sharma to amend
6 the lease so that we can change the rent structure as well
7 as the duration of the lease so that he can properly
8 develop the property and to -- according to his proposal,
9 and to also give him time to recover his cost.

10 So let me go on with my presentation.

11 First, Mr. Sharma requests the current rental of a
12 thousand dollars per year be extended until
13 October 31st of 2015, at which time after he will propose
14 to pay an annual rental of \$10,000 or 5 percent of the
15 gross crop value, whichever is the greater amount.

16 And then, as I stated before, he requests that the
17 term of the lease be extended until October 31st, 2027,
18 with an additional three-year -- excuse me, 3 five-year
19 renewal periods. This would allow Mr. Sharma time to
20 cover his investment and to make a profit.

21 In terms of the current lease for the 120 acres,
22 when it was first issued in 1994, November 1st, 1994, an
23 expiration date of October 31, 2004, with 3 five-year
24 renewal options. I will note that renewal options are --
25 look different for this particular release. It requires

1 that there's a mutual consent for any of the options to
2 take place.

3 And this was put in place because the previous
4 Board, there was a request by DWR staff that this probably
5 might be needed for mitigation purposes. In fact, this
6 particular lease of 120 acres is part of a much larger
7 parcel, over 200 acers, that was leased before. And the
8 lower 80-some-odd acres were put into mitigation, back in
9 the mid-'90s.

10 So going forward, the consideration for the lease
11 at that time was \$10,000 per year or 5 percent of the
12 gross crop value, whichever is greater.

13 This changed in 1997 with the Arboga Levee break.
14 And at that time, when the levee broke, the flow of the
15 river along that high channel was changed, and it
16 devastated this particular orchard. And there was almost
17 a complete loss of the prunes at that time.

18 And the Board in following this, granted
19 Mr. Hastey a new term for lease, essentially give him a
20 fresh ten years. And it always gave him a minimum rent of
21 \$1,000 per year or 5 percent -- excuse me, or 10 percent
22 of the gross for that first ten years.

23 And we're now approaching the expiration of this
24 lease, whereupon the -- Mr. Sharma provided that the
25 assignment of the leases is approved, would have the

1 ability to exercise the five-year extension, with mutual
2 consent by the Board or Board staff.

3 What Mr. Sharma proposes is that he feels that the
4 reason this -- the crops have not done well is not because
5 of flooding.

6 Oh, I did leave out an important factor.
7 Mr. Sharma did come in and aided Mr. Hastey directly,
8 after the last flood. And it got to the point where
9 Mr. Hastey was unable to continue financially with this
10 particular lease, hence the assignment to Mr. Sharma. And
11 apparently, Mr. Hastey had decided that prunes were not
12 going to make it, and peaches would be a better deal.

13 But since that particular time, peaches have
14 suffered somewhat of a decline, locally. And in the flood
15 event of 2006, during spring, which caused additional
16 damage, I believe Mr. Sharma said 30 to 50 percent loss of
17 the new trees put in, the peach trees.

18 So Mr. Sharma is now faced with the fact that he's
19 got an orchard that requires a great deal of money to be
20 reestablished. And as the sign of going back in time,
21 this property has been under lease by the Board since the
22 early '80s, for orchard. So this is continuing use of
23 this property.

24 But Mr. Sharma proposes that he should replace
25 this orchard with walnuts, because he has a great deal of

1 experience with walnuts. But walnuts can be planted in
2 such a spacing and can be pruned to such a height that the
3 flows that come underneath will not affect the trees, will
4 not uproot them.

5 So what we're asking, then, is for an approval of
6 the assignment of the lease from Mr. Hastey to Mr. Sharma,
7 an extension of this lease till the year 2027, and also a
8 restructuring the rent such that -- so that it's a minimum
9 \$1,000 per year, until October 31, 2015, or 5 percent of
10 the gross crop value. And from that point forward, it
11 would be 5 percent of the gross crop -- excuse me, am I
12 reading my thing right?

13 SECRETARY DOHERTY: No. There's no 10 percent
14 until 2015.

15 MR. FONG: Until 2027. Correct. I'm not
16 referring to my notes as I'm talking, and I'm jumping
17 around a little bit. So Mr. Sharma is here today and
18 willing to present his case.

19 So that's the end of -- let me mention one more
20 factor. I received some e-mails from the Flood Management
21 people. I don't know if they are present here today or
22 not, that said that they are very much concerned about the
23 duration of this lease in the event that they would want
24 to use this property for mitigation in the near future.

25 I'm not aware of any current need for mitigation

1 right now, but that's a -- that was expressed to me by
2 e-mail today -- this morning.

3 SECRETARY DOHERTY: Was there a map showing the
4 location of this property?

5 MR. FONG: Yes, there was. It's in the back of
6 your package.

7 SECRETARY DOHERTY: Oh.

8 MR. FONG: Did you find it?

9 SECRETARY DOHERTY: I probably looked at it.

10 What I would like to know from Mr. Sharma is how
11 long does it take -- oh, I got it -- for a walnut orchard
12 to produce, from planting to first crop?

13 MR. FONG: Okay. Mr. Sharma?

14 MR. SHARMA: Thank you, Mr. Chairman and the Board
15 Members.

16 Raj Sharma. It takes about eight to ten years
17 before you can get it, you know, crop where it be break
18 even with your money you are putting in. Because, you
19 know, peaches and prunes are like three to four years.
20 See, walnuts, they last for a really long time -- 40, 50
21 years. But it takes eight to ten years, definitely,
22 before you get any income out of it.

23 SECRETARY DOHERTY: So what variety of walnut do
24 you think can withstand the high water?

25 MR. SHARMA: I was planning Hartleys and trying to

1 make a trunk about 8 to 10 feet high and then make your
2 scaffold. And I even had a picture -- I farm about 60
3 acre in the Bear River. I've been farming for 30 years.
4 And that's the concept we use. So we never had a problem.
5 We never lose a tree. The water flows right through the
6 trunk. Like prunes, peaches, really lower, so they got it
7 more pretty distant and they got uprooted. That's what
8 happened in the last flood. Like this orchard here --

9 (Thereupon a slide was presented.)

10 MR. SHARMA: -- was planted in '79. And we took
11 this big picture, like, last flood, when it was almost to
12 the bank of the levee. And we never lost one single tree
13 in '86 flood. They was only, like, eight years old. So
14 this is very successful.

15 You can see, on the top, Rio Oso Ranch. I'd like
16 to do the same thing, so there won't be any loss, and also
17 help to keep the flow of the water going, you know,
18 faster. And that's what, I think, a lot of time these
19 levee fails because the water standing in the rivers for
20 too long and they start seeping. If the current keep
21 flowing with it, the regular flow, then, you know, there
22 is no saturation to the levees.

23 So with my experience, you know, I think that
24 might be, you know, a good step to correct the problem.

25 The way I look at it, when this orchard, whoever

1 developed it originally, it is like overflow. It's not in
2 the current of the water channel. When water flows, level
3 gets up, and then water started going up. The higher end
4 of the orchard was from the current. And it gradually
5 goes down. And when the level goes up, the water backs up
6 and goes up high.

7 But in the year when Arboga Levee broke, it broke
8 right from the front. So when there was a break in the
9 levee, all the water started rushing, and it took all that
10 orchard with it. And now, again, it's a natural path.
11 Anytime water gets up, it starts flowing through it.

12 So it -- so we can't fight the water in the river.
13 We got to work with it. So I'm trying to do, like if we
14 do this way, I think it takes about every eight to ten
15 years when we have major flooding, in 1986, then 2000. So
16 we had 2001. So I'm thinking with planning right now,
17 four or five years, once the root system very strong and
18 once the tree do develop, we won't have a problem for next
19 hundred years.

20 But it's a lot of effort. I farm 2000 acres of my
21 own. I did Vacaville-Dixon greenbelt. I bought the land
22 from the City, and you can see it on 80. I put
23 \$10 million there. And it's something I'm proud of it.

24 I got involved when levee broke. I helped the
25 community. And Mr. Hastey, he was the provider for Yuba

1 County. And I was assisting. When '86 flood came, I
2 owned a gas station in Wheatland. I was the only station
3 in the entire community open. For three days, I didn't
4 slept one minute. I donated gas. I did whatever I could.

5 So in this case as well, you know, I was -- I come
6 in. He needed help to fix the orchard. I own
7 Caterpillars and all kinds of equipment. So I went there
8 with Mr. -- Jeff witnessed, there was the big holes from
9 when the levee broke. I spent a lot time just to help the
10 person.

11 Then his house was also there, and he lost the
12 house, and he just came to the point, he couldn't keep
13 going. And I could only do so much help myself. Then I
14 helped to develop his orchard. Then he was thinking he
15 would get some revenue back when it reproduced. But this
16 last flood, again, didn't. So I had almost \$900,000
17 invested into this project. And he had no way to pay.

18 And what I'm saying, if the Board will give me a
19 chance, I can work more hard, because I'm limited to my
20 certain things what I can do. So walnut is a big
21 investment, \$15 a tree. It's a lot of money and you wait
22 eight years. But I can do that, because I have other
23 orchard that they are producing. I can invest the money.
24 But if I'm not going to get the money back, then it makes
25 it very hard.

1 But I can make this work because I got ability.
2 And as you can see, the way we did that other ranch, it's
3 working fine. If the Board can, you know, help me, I
4 think it can be productive out of this, you know, like
5 project.

6 PRESIDENT CARTER: Mr. Sharma, what are the
7 customary rents for orchard grounds? And I understand,
8 there are different -- there's lots of different ways of
9 doing it. But for somebody who's going in and leasing
10 ground and developing an orchard and bearing all the costs
11 of development, what is a typical land grant? And for
12 once an orchard is productive and somebody's leasing it,
13 what is the typical land grant?

14 MR. SHARMA: It goes anywhere from 10 to 20
15 percent. But when we are talking 20 percent, there are a
16 lot of factors. The owner has to provide the irrigation
17 and pay all the taxes, like I pay the property tax there,
18 myself, to Yuba County.

19 And then pipelines. Like last flood, when we had,
20 I put almost 60 to 70 thousand in the irrigation and all
21 my hoses, microsystem got washed away. So there are
22 lesser -- as owner, have some responsibilities where he
23 make -- where the lessee make sure he's going to provide
24 utilities, like water, whatever it takes. Like last
25 month, I have to put 5,000-dollar panels on there, and it

1 did a lot of damage.

2 Another thing too, I want to bring it to you. We
3 had a mitigation next to us. It's a nice thing. You go
4 and see yourself. It's kind of a dump out there.

5 You know, I have to go through that mitigation to
6 get to the ranch. And constantly, I'm picking up all the
7 refuge there, the garbage, and people burning cars and all
8 that.

9 And I have five to six guys every day, now. They
10 go work at the farm. When those guys see there's the
11 people around, then they turn around and go out. So being
12 out there, as a guard, you can see because it's my
13 investment, I go everyday and, you know, drive my orchard.

14 So there are some extra costs on this lease. It's
15 not like you are going to get stranded lease. And there
16 is a chance, like whenever any disaster happens -- like
17 last time, the federal -- the government do give you the
18 assistance in the crop loss. But over there, I couldn't
19 get no assistance. They said, "Well, this isn't in the
20 river." So it's so obvious the water is going to come up.
21 So you expect, the dam is going to be done. So if there
22 is a lease outside the river, you know, you lose your
23 crop. The government and federal agency will help you to
24 recover your cost. But here, I'm taking the chance of --
25 if you lose your crop, you lose it all year. So that's a

1 major pain, that much more important than percentage.
2 Because I know, if I had to put money like in the crop,
3 let's say, a half million dollars, if any disaster comes,
4 if your loss is more than 30 percent, than federal
5 government to help you to pay your disaster. But in this
6 case, it's going to be nothing.

7 So that's why I'm saying, we cannot use the same
8 percent as the regular lease rent for the regular orchard,
9 which is outside the river. So it's got to be discounted.
10 That's for certain. And there are some time, the owner do
11 pay for the development of the orchard. They will help to
12 plant the orchard and maintain the money for buying trees
13 and doing certain things.

14 Because in this case, if I report my irrigation or
15 anything in the ground, and the lease is over 30 years,
16 I'm going to lose all of that. If it's our side, you
17 know, it will be counted for.

18 So the number I'm giving to the Board is a very
19 fair number. You know, eight, nine years, it's going to
20 be new crop. And I already spend eight to ten years
21 without any single penny I get out of it. It just becomes
22 a point of -- when I start working, I brought my baby
23 Caterpillar, level the ground, plant a new orchard. When
24 you plant trees, like raising your baby. You know, I'm a
25 farmer. I know the feeling of the trees. So it just

1 become -- I cannot walk away, and it would be losing
2 battle that I was not able to do something, which I plant.

3 So that's why I kept helping Brent, so I wanted to
4 bring this to the Board. But now with the levee break,
5 who knew it was going to break from there? It just
6 disturbed the whole thing. But we can work it. But I
7 need your help and also, you know, cooperation so we can
8 achieve the goal, what we -- at least we getting something
9 out of it or keep inside the river clean. If we are not
10 there, people do illegal stuff.

11 Last month, we found a truck was stolen from
12 Placerville, brand new Dodge pickup. They strip it and
13 burn it. But we are inside, we go close the gates. Keep
14 in mind, at night, people stay away. And I'm working with
15 Mr. Durfor, Steve. He's the new elected sheriff. Very
16 nice person. We are working trying to bring the prison
17 inmates on the weekend and clean all the debris and stuff.
18 So you know, I'm putting in effort. It all takes time.
19 You know, so that's not accounted whether it's still --
20 you know, like I think it's a benefit too.

21 PRESIDENT CARTER: Yes. Mr. Sharma, you may not
22 know, but several of the Board members are farmers as
23 well. So we're familiar with the situations. I myself,
24 in fact, planted a walnut orchard this winter.

25 So what I just want to know -- Mr. Fong, so the

1 proposal is a thousand dollars per year which equates to
2 \$8.33 an acre plus -- or 10 percent of the gross crop
3 value, which is going to be zero for the next eight to ten
4 years. And the term of the lease is a 20-year lease.

5 Is that essentially the bottom line on this?

6 MR. SHARMA: Well, eight year is going to be --

7 PRESIDENT CARTER: Mr. Fong, please.

8 MR. FONG: Yes, that's essentially true. And with
9 the -- he also asked for having the ability to have
10 3 five-year extensions on top of that.

11 PRESIDENT CARTER: Okay. Any questions?

12 VICE PRESIDENT HODGKINS: Jeff, I had trouble
13 hearing all of your report.

14 Has flood management seen this? And are they
15 aware of this? Because I have heard, possibly, about the
16 use of this land for mitigation. And I just want to make
17 sure we don't foreclose an option that they might need in
18 the future.

19 MR. FONG: Flood Management was -- Flood
20 Management received notice of this fairly late, and they
21 have actually made a request that we postpone action on
22 this particular item until next month, until they have had
23 a chance to -- to think about it and see what their
24 mitigation needs might be.

25 But I thought that I would still go forward with

1 this presentation since Mr. Sharma was coming, so the
2 Board could understand what's there and what his proposal
3 was.

4 SECRETARY DOHERTY: While I appreciate your coming
5 forward on this, however, if the Department has asked us
6 to wait, then I don't think we should vote on this today.

7 GENERAL MANAGER PUNIA: I just want -- I made sure
8 that the DWR top management is at least aware of this,
9 that we are moving ahead with this lease.

10 So based upon that, I got an e-mail from George
11 Qualley yesterday, that he was requesting that we should
12 postpone the decision for a month.

13 And my response to George was that DWR staff
14 should be here and make the request to the Board. But I
15 don't see George or anyone else. But, in fact, I did
16 receive an e-mail. They want to discuss it a little more
17 among themselves to see if there's any future use of this
18 land.

19 MR. FONG: Yeah. One other thing I did not
20 mention. On this original lease to Mr. Hastey, there was
21 also an additional 12.8 acres located, just south of this
22 parcel, that was also leased to Mr. Hastey. But that was
23 under a separate lease agreement.

24 And at the time, in 1997, when the Board extended
25 the lease and made the concession for the rent, I think it

1 may have been the Board's intention to include that
2 12.8 acres, but it wasn't done so formally. So
3 effectively, that particular 12.8 acres, located south of
4 the 120 acres, is not currently being leased.

5 So at the very -- so that property could be made
6 available to the Department for mitigation. However, I
7 have no idea what their needs might be in the future.

8 And if the Board were to -- excuse me, if the
9 Department were to need this property in the future, for
10 mitigation purposes, we could probably cancel the lease.
11 However, we would be liable for all the damages to the
12 lessee, which could be a substantial amount. However, it
13 still might be less than what it might cost to acquire
14 mitigation land elsewhere. So that's a another option the
15 Department has.

16 But if the -- if Mr. Sharma doesn't -- let's say,
17 for instance, that the Department does insist upon keeping
18 this free of the lease, Mr. Sharma has no incentive to go
19 forward with this property, because he couldn't possibly
20 make any money on it. And what it would become, is it
21 would become a maintenance responsibility for the
22 Department. And we would have to go in there and keep
23 that property clear.

24 I don't know if we can put another 20 acers on the
25 Department's list, because it would be quickly overgrown

1 with vines and wild grape up there, which is -- if you're
2 able to see the property, it's back, against the existing
3 levee. It's covered with it right now. I should say,
4 there's a channel in between.

5 VICE PRESIDENT HODGKINS: Can I ask: Mr. Sharma,
6 if we -- I think you would be a great steward of the
7 property for the State, but I'm reluctant to approve this
8 today, when there is apparently some uncertainty about
9 what the best use of this is, as far as the State's
10 concerned.

11 Would it cause you -- you would not have to come
12 back if we deferred a decision on this, till the next
13 meeting, because you have done a great job, I think, of
14 showing at least me, and I'm not a farmer, as Ben will
15 point out quickly. But I think you know exactly what you
16 are getting into.

17 But I would like to give DWR until the next
18 meeting to decide whether they really need this land for
19 some other purpose or not, even you would potentially be
20 compensated.

21 I mean, the idea of putting a lot of work in this
22 and then having DWR coming back in five or six years and
23 saying, "We've got to have it," you never could get
24 compensated for the amount of effort you would put in
25 this. Would that create a problem, if we wait 30 days?

1 MR. SHARMA: I don't think there would be any
2 problem. But the only request I make, today, you can vote
3 on, like, assigning the lease to my name from Mr. Hastey,
4 because there are couple of reasons. One is, you know, my
5 workers go there for a lot of time, you know, when we
6 have, you know, new orchard tasks and then there is a
7 problem. You know, I have workmen comp, all that other
8 things. Then you got to include -- I got to include that
9 as a part of my operations.

10 See, right now, we go there, even if I have to
11 call the sheriff's department or if I see illegal
12 activity, then I got to say, "Hey, look, I'm leasing this
13 place and these guys are dumping garbage here. It's going
14 to cause trouble." But right now, I have no right to be
15 there.

16 So I want something -- at least -- 30 days, no
17 problem. But I just want you to -- the lease is going to
18 be transferred to my name, and then I can make the
19 payment. I have a \$2,000 check for the last rent that
20 Mr. Hastey didn't pay. So I can go ahead and pay that
21 rent too. And so -- for the future term, you can come
22 back when you feel it is appropriate.

23 And even, you know, if the DWR need the land to
24 use, you know, I work with them.

25 SECRETARY DOHERTY: Mr. Sharma, that -- if we

1 transfer the lease to you, you would only have it until
2 October 31st, '07; is that correct?

3 MR. SHARMA: Well, that's correct.

4 SECRETARY DOHERTY: All right.

5 And so then at that time, or next month, then we
6 could -- once we found out what the Department of the
7 Water Resources is going to do, whether or not they need
8 it, then we can vote on extending that lease.

9 But I would like to make a motion that we transfer
10 the lease into your name under the terms, which would
11 terminate October 31st, 2007.

12 MR. SHARMA: That would be great.

13 MEMBER BURROUGHS: I second that.

14 PRESIDENT CARTER: Okay. We have a motion and a
15 second to assign the existing lease from Mr. Hastey to
16 Mr. Sharma.

17 Is there any other discussion on that?

18 All those in favor, indicate by saying "aye."

19 (Ayes.)

20 PRESIDENT CARTER: And opposed?

21 Okay.

22 And we will go ahead and table the second part of
23 this, which is regarding the new terms of a new lease,
24 with Mr. Sharma, for next month. And we will endeavor to
25 get determination from the State on what they would like

1 to use the property for, long term.

2 MR. SHARMA: Thank you. And also I want to make a
3 quick comment. Like -- we work together. Like if DWR
4 think, well, we might need it in next ten years or -- you
5 know, they will give us some time. They are not going to
6 start going in the next seven months. I know it's not
7 possible.

8 If they give us some time -- let's say, three
9 years -- so we can go with that and then write option
10 afterwards. You know, then I'm not the kind of person --
11 I got my own land outside. You know, I know if I put a
12 thousand on it today, ten years, it will be worth 10
13 thousand.

14 So I'm not gaining. But I'm saying -- I'm trying
15 to -- you know, everybody get benefit out of it. But if
16 DWR said, "Well, we think we need it in five years, so we
17 can take five years and then take it" -- extensions
18 afterward. If they are taking on ten more years, we don't
19 need it, then we can extend the lease for another ten.
20 I'm willing to work with the Board.

21 Thank you.

22 PRESIDENT CARTER: Thank you very much.

23 Yes?

24 MR. WEBB: Could I comment on this item? I'm
25 Richard Webb with RD 784.

1 PRESIDENT CARTER: Please approach the podium.
2 And if you would fill out a card after you're done so we
3 have it on record.

4 MR. WEBB: Yes, sir.

5 President Carter, I'm Richard Webb, president of
6 RD 784.

7 And I'm familiar with this property. And I would
8 just like for you to make sure that you, in your
9 evaluation of future use of Mr. Sharma's lease land, that
10 you take into consideration that there is a mitigation
11 site that he mentioned, that is just adjacent to it, to
12 the south of the property that he farms.

13 And that was originally established with -- I
14 believe, between 70 and 80 acres of the mitigation
15 property. To date, to my knowledge, just a little over --
16 well, between 20 and 25 acers of that land has been
17 utilized as mitigation.

18 The remainder has not been utilized for
19 mitigation. And I certainly would encourage you to make
20 certain that in future mitigation concerns, that this
21 property be fully utilized before taking other properties
22 outside of the mitigation area.

23 Thank you.

24 PRESIDENT CARTER: Thank you.

25 Okay. At this time, we will recess for our noon

1 lunch, and we will reconvene at 1 o'clock.

2 So we are in recess.

3 (Thereupon a break was taken in
4 proceedings.)

5 PRESIDENT CARTER: Good afternoon, ladies and
6 gentlemen. Welcome back.

7 This is the State Reclamation Board meeting. And
8 we are going to go to Item 8 right now, the Consent
9 Calendar.

10 We have Item 8A and 8B, Exchange of Easements, KB
11 Home, San Joaquin County. Mr. Fong; and 8B, California
12 Environmental Quality Act Findings, Sacramento Area Flood
13 Control Agency's Natomas Cross Canal Project. Mr. Fua.

14 These are consider approval of exchange of
15 easements with KB Home; and consider approval of memo
16 documenting findings adopted by the Reclamation Board at
17 our meeting on March 16th, 2007.

18 Do we have any additional information to be
19 presented on these items?

20 Okay. The Board will entertain a motion to take
21 action on the consent calendar.

22 SECRETARY DOHERTY: Where is this misalignment?
23 Wait a minute. Let me get back here and -- oh, okay.

24 PRESIDENT CARTER: What's the pleasure of the
25 Board?

1 SECRETARY DOHERTY: What -- go ahead.

2 VICE PRESIDENT HODGKINS: I was going to move the
3 consent calendar.

4 PRESIDENT CARTER: Okay. We have a motion to move
5 the consent calendar.

6 Is there a second?

7 MEMBER BURROUGHS: Second.

8 PRESIDENT CARTER: There's a motion and a second.

9 No discussion on consent items.

10 So all those in favor, indicate by saying "aye."

11 (Ayes.)

12 PRESIDENT CARTER: And opposed?

13 Okay. Consent calendar passes. All right.

14 While we are waiting on Item 11A, staff is working
15 some details about that. What we can do is move to
16 Item 11B, Application No. 17500, Milton Miner, Yuba
17 County.

18 Mr. Butler.

19 SENIOR ENGINEER BUTLER: Yes, good afternoon.

20 If you could give me one moment, I will switch
21 presentations, because I had this cued up for 11A.

22 PRESIDENT CARTER: Okay.

23 SENIOR ENGINEER BUTLER: Just give me a minute or
24 two.

25 PRESIDENT CARTER: Very good.

1 Is technology cooperating?

2 SENIOR ENGINEER BUTLER: While we're waiting, I'll
3 just mention that I had brought several copies, additional
4 copies of the staff report with me today. And if you need
5 extras, or any of the audience would like some, we have
6 them up here, at the front counter.

7 May I make a suggestion? If you would desire to
8 go to a shorter item, could we come back to this? Are we
9 ready for Item 11A? Do you have something that's
10 informational?

11 GENERAL MANAGER PUNIA: I think Scott and Nancy
12 are discussing about 11, so they will be back in a minute.
13 We will be ready to do 11.

14 SENIOR ENGINEER BUTLER: 11 requires the same
15 program to be running. Both 11A and 11B use PowerPoint.

16 PRESIDENT CARTER: What we are going to do at this
17 point is, you keep working.

18 SENIOR ENGINEER BUTLER: I think I have it.

19 PRESIDENT CARTER: No, you don't.

20 SENIOR ENGINEER BUTLER: Okay. It's going to come
21 up. Thank you for your patience.

22 Again, I'm Eric Butler. I'm one of the engineers
23 on Board for the staff.

24 (Thereupon an overhead presentation was
25 presented as follows.)

1 SENIOR ENGINEER BUTLER: And today, we are
2 presenting a fairly straightforward encroachment permit
3 application, Agenda Item 11B.

4 --o0o--

5 SENIOR ENGINEER BUTLER: This is application 17500
6 submitted by Milton Miner. It's in Yuba County. It's to
7 develop what they refer to as Lake Marysville RV Resort.

8 --o0o--

9 SENIOR ENGINEER BUTLER: The location -- and I
10 will use the pointer and some other graphics. We're
11 looking here at an aerial of the City of Marysville and
12 Yuba City to the left of the screen.

13 This is the Feather River moving from top to
14 bottom. Coming in from the upper right corner of the
15 screen is the Yuba River. The confluence is here. This
16 is the Yuba River channel. There's a gauge, a river
17 gauge, on the Feather River, on one of the bridges, in
18 Marysville, between Marysville and Yuba city. And this
19 yellow shaded area is a rough approximation of the project
20 boundary, along the left bank levee of the Yuba river,
21 which the levee itself is maintained by Reclamation
22 District 784. And there is another gauge. And the reason
23 why I'm saying this now -- it will become clear in a few
24 more slides -- there's another river gauge, upriver, about
25 5 miles from this railroad bridge.

1 And then, again, the Reclamation District 784
2 maintains the levee. And the State, specifically DWR, has
3 maintenance responsibilities for the river channel.

4 --o0o--

5 SENIOR ENGINEER BUTLER: This is a portion of
6 DWR's plot map for Reclamation District 784, again,
7 showing -- the heavy dark line being the levee. Yuba
8 River floodway here. Approximate site of the project is
9 in this area here.

10 What they are proposing -- this is a short
11 bulleted list of a number of the features. It is a -- I
12 think I have a typo. It's 113-acre campground. There is
13 initially 70 -- 66 recreational vehicle sites, with the
14 intent to provide a final build-out to a total of 200
15 sites.

16 The applicant requested authorization of the 200
17 sites, but only 66 were sufficiently detailed on the
18 design drawings, and that is what the application is
19 limited to at this time, by Board staff.

20 There are two lakes and number of other features,
21 basically to provide a seasonal recreational vehicle park
22 within the Yuba River floodway.

23 --o0o--

24 SENIOR ENGINEER BUTLER: These are a couple of
25 photographs that were submitted by the applicant a few

1 years ago. Basically, I included them to give you a sense
2 of what the topography looks like today.

3 There was an old sand and gravel mining operation
4 done in this area, which basically created these two
5 lakes. That was authorized under the Board permit
6 referenced, up above, in 1976.

7 And we see an area that has some difficulties with
8 trash dumping and people living there, squatting on the
9 land. And then just a listing of some of the indigenous
10 trees that are growing in the area.

11 --o0o--

12 SENIOR ENGINEER BUTLER: So this -- we didn't have
13 any small drawings to give you anything good in terms of
14 their layout. So I scanned a very large plot, a plot map.
15 And I believe Mr. Miner, here, has brought with him today
16 multiple copies on 11-by-17 that reproduce this with a
17 number of design drawings. And I believe those have been
18 already distributed to the Board members.

19 I don't intend to go into a great deal on those.
20 My only intent here to include this slide was to give you
21 a sense of, okay, what's conceptually what we're looking
22 at.

23 And basically, park entrance is from the upper
24 right corner of this map. You can see the finely-hatched
25 area sort of in the center here. That's the 66 RV sites,

1 the two lakes are above it, and of course the levee bounds
2 the property to the south.

3 --o0o--

4 SENIOR ENGINEER BUTLER: But the main question you
5 have for me is: Why are you here today? Why am I asking
6 you to consider this proposal? And really, there's only
7 one reason we had to bring it in front of you as opposed
8 to just bringing it to the general manager for his
9 signature. And that is because there was an endorsement
10 submitted by the reclamation district back in June of
11 2005. It had four conditions, one of which was deemed
12 unacceptable by our staff. And I've quoted that condition
13 here, and I will read it.

14 It says, "No encroachment shall be permitted
15 within the floodway until it has been determined by the
16 California Reclamation board and the Department of Water
17 Resources of the State of California that the encroachment
18 will not have a detrimental effect on any levee or other
19 flood control structure."

20 That was in June of 2005.

21 --o0o--

22 SENIOR ENGINEER BUTLER: Subsequently, on October
23 6th of 2005, the general manager, in a letter to
24 Reclamation District 784 -- and this letter is part of
25 your package, Attachment C of the staff report.

1 It stated, "Although we appreciate district
2 endorsement of this project, we are unable to accept any
3 condition that transfers local maintaining agency
4 maintenance responsibilities to the State."

5 And because of that one condition, we could not
6 accept their endorsement.

7 So by Title 23, CCR, we are able -- and basically
8 the key information is here in red. It says, "The
9 application must be endorsed by the agency responsible for
10 maintenance of levees within the area of the proposed
11 work. However, if endorsement by the maintaining agency
12 is declined," which is the case here," the application may
13 be submitted to the Board for consideration along with the
14 satisfactory explanation for lack of endorsement."

15 And I hope that what I have stated so far is that
16 satisfactory explanation. So we're here today because of
17 that reason.

18 --o0o--

19 SENIOR ENGINEER BUTLER: The Board is the lead
20 CEQA agency on this application. And our Environmental
21 Review Committee looked at the application, concluded that
22 Class 3 and Class 4 categorical exemptions applied to this
23 project, and they approved the application back in
24 September of 2002.

25 And they are in the process of preparing the

1 notices of exemption that are required under CEQA, to
2 complete this portion of the approval process.

3 --o0o--

4 SENIOR ENGINEER BUTLER: Staff also submitted this
5 application to the Corps of Engineers in 2003. It's
6 listed as Exhibit A, I believe at the very end of the
7 staff report that I prepared.

8 And I want to point out that the initial
9 application in 2002, by Mr. Miner, the scope of the
10 project, that is, the number of appurtenances and
11 structures at the proposed site, was much greater than
12 what we are currently asked to approve or deny today.

13 And so since 2003, it was determined by staff that
14 they didn't need to go back to the Corps to have them look
15 at this again. So we have Corps comments and they are
16 attached to the permit.

17 Now, if this project is approved, then we will
18 request the Corps to provide a revised project letter of
19 endorsement based on the reduced scope of work. And that
20 application was resubmitted in 2005.

21 So if you vote to go forth with this, then that
22 will be one step that will be completed, subject to
23 today's meeting and prior to finalizing the permit.

24 --o0o--

25 SENIOR ENGINEER BUTLER: So what are some of the

1 benefits?

2 There's no adverse hydraulic impacts. This is
3 going to be a facility. Many of their structures are
4 portable. They could be removed up off -- out of the
5 floodplain to an adjacent staging area during -- prior to
6 and during flood events. There's no permanent residences
7 in the facility. All the habitable structures are
8 seasonal and removable. And we think it's a beneficial
9 and appropriate use of the floodway.

10 In addition, the on-site facilities and
11 improvements that are proposed will reduce or eliminate
12 undesirable uses. And I named a few of them: trash
13 dumping, illegal camping, off-road vehicle damage, etc.

14 --o0o--

15 SENIOR ENGINEER BUTLER: I wanted to note to you
16 some of the special permit conditions. I wanted to bring
17 your attention to a few of them.

18 One of them that -- just subsequent to us
19 providing you your packages, Board staff have determined
20 that we wish to strike Special Condition 28, which reads,
21 "No material stockpiles or temporary buildings, shall
22 remain in the floodway during the flood season from
23 November 1st to April 15th."

24 And I have been informed by Mr. Bradley that this
25 condition is typically in there for reasons of preventing

1 construction at encroachment sites. And we felt that it
2 doesn't really apply in this case. So we would propose
3 that we would strike it from the final permit, if it is to
4 be approved.

5 --o0o--

6 SENIOR ENGINEER BUTLER: The next one I would like
7 to call your attention to is No. 44.

8 It says, "A more detailed evacuation plan must be
9 submitted for approval."

10 And 45, "Applicant shall coordinate with the Yuba
11 County Office of Emergency Services and other agencies as
12 necessary to develop an appropriate high water monitoring
13 and evacuation plan."

14 This now takes us back, if we recall, to the two
15 river gauges that I had on the photo for the satellite
16 map. I think it was the third slide.

17 One of the key ways that users in the floodway get
18 notification or make decisions on evacuating, typically we
19 tie them to maybe a forecast point. Those two river
20 gauges, that I mentioned, one of them already is an
21 official forecast point by the National Weather Service.
22 The other one on the Yuba will become an official forecast
23 point prior to next flood season.

24 What I want to point out is that their evacuation
25 plan, as currently submitted, calls for the ability to

1 move everything within 72 hours. And those two forecast
2 points, as well as information that they would have access
3 to, through the National Weather Service and Office of
4 Emergency Services, in terms of reservoir releases from
5 Lake Oroville and the Feather River or New Bullards Bar
6 Reservoir on the Yuba River, they will not have typically
7 72 hours of lead time available to them.

8 And that's why we added this clause, these two
9 clauses, that we would like them to develop a more
10 detailed plan, and in doing so, to coordinate that plan
11 with Yuba County, because it's Yuba County OES that is
12 ultimately going to issue evacuation orders. And the
13 applicant's plans need to be closely associated with Yuba
14 County as well as, we believe, taking into account, what
15 forecasting tools are available through the Weather
16 Service.

17 And lastly, Clause 52, or Special Condition 52, we
18 want to point out that -- I mentioned, their ultimate
19 build-out was to go from -- to 200 sites. We proposed
20 that we not authorize the additional 134 sites at this
21 time. However, with Special Condition 54 -- I'm sorry.
22 Let me just back up. What we would like them to do is,
23 once the permit is approved, they can come back to us with
24 additional details and specifically additional plans so
25 that we can review the plans and note where these

1 additional 134 sites would be located. Because as you saw
2 on the one slide, with the overall plot plan, they are not
3 on there. Those count up to be approximately 60. So we
4 would like them to come back and ask for authority to
5 authorize those additional sites later.

6 And then we've also asked them, remind them, that
7 with the Corps' subsequent review of the updated
8 application that we received in 2005, that if we approve
9 this, we will go back to the Corps, say, "Please, review
10 our proposal. Do you have any changes or additions to the
11 conditions?" If so, any additional conditions, we would
12 expect the applicant to comply with those as well.

13 --o0o--

14 SENIOR ENGINEER BUTLER: So my recommendations, to
15 sum up, is as follows: We recommend to approve the draft
16 permit as revised to construct the RV campground with an
17 initial 66 sites;

18 We would ask you to delegate authority to the
19 general manager to approve a future revision to the permit
20 for up to 200 sites, once sufficient design documents are
21 provided by the applicant;

22 And we would like to reiterate -- we would like
23 you to reiterate to Reclamation District 784 that
24 transferal of local maintaining agency operations and
25 maintenance responsibilities and their liabilities to the

1 State is unacceptable and will not be permitted now or in
2 the future.

3 --o0o--

4 SENIOR ENGINEER BUTLER: And I will back up to
5 that in a moment.

6 I just want to point out that copies of the staff
7 report are available on our Rec Board Web site, and I have
8 some here today, as well.

9 So in summary, those are the three major
10 recommendations that I would like to present to you today.

11 And that concludes my presentation.

12 PRESIDENT CARTER: Any questions for Mr. Butler?

13 VICE PRESIDENT HODGKINS: I have some.

14 Eric, it was my experience, in the American River,
15 that the facilities in the river were a constant headache
16 during the flood operations. And in fact, the Corps, in
17 developing their design hydrograph or operation in Folsom,
18 limited the rate at which flows could be increased, and
19 was reluctant to let it happen too quickly unless there
20 was an emergency notification procedure that got people
21 out of there so they didn't drown. Okay?

22 That's my concern here. And I have heard
23 neighbors say more than once, you can't take the system up
24 quickly because of all the trailer parks that are
25 potentially in the floodway.

1 Is this in the floodway from the standpoint of a
2 hundred-year storm?

3 SENIOR ENGINEER BUTLER: Yes, it is.

4 VICE PRESIDENT HODGKINS: When does it go under?
5 What frequency, roughly?

6 SENIOR ENGINEER BUTLER: I don't have that answer
7 with me today.

8 May I point out that your question deals with
9 mobile home parks, specifically, I believe, those which
10 have year-round residents.

11 VICE PRESIDENT HODGKINS: I agree with you.

12 SENIOR ENGINEER BUTLER: We're clear that this is
13 a different case.

14 VICE PRESIDENT HODGKINS: RV means no trailers?

15 SENIOR ENGINEER BUTLER: Correct. All the
16 residences -- all the people who go to that park are in
17 motor homes, essentially, drivable vehicles or camping
18 units that could be picked up and driven out.

19 VICE PRESIDENT HODGKINS: Is that a condition of
20 the permit?

21 SENIOR ENGINEER BUTLER: Let me ask Mr. Steve
22 Dawson if he could answer it.

23 MR. DAWSON: No, it is not.

24 PRESIDENT CARTER: Steve, you need to come up to
25 the podium.

1 VICE PRESIDENT HODGKINS: I would feel much more
2 comfortable granting this if there were no overnight
3 vehicles in this thing, between November 1st and April
4 15th. And I'm curious as to whether that would present
5 problems for the developer.

6 The question was, was there anything that
7 precludes trailers from being parked in these sites, a
8 condition of the permit or anything else?

9 MR. DAWSON: No, there's -- Steve Dawson, Floodway
10 Protection Section.

11 No, there is not at this time. They could park a
12 trailer in there as long as it remained mobile, the tires
13 could not be removed. That is covered under Title 23,
14 under Mobile Home Parks within the floodway. They would
15 cover them or any other mobile vehicle as long as they
16 remained mobile.

17 VICE PRESIDENT HODGKINS: Okay. My concern is
18 simply not to create a situation where the people who are
19 running Oroville are having to worry about whether all the
20 vehicles have gotten out of this particular RV park.

21 Now, many of them have been telling me we have a
22 lot of the other ones and it's never been a problem on the
23 Feather. And if you tell me that, probably I would just
24 shut up. Otherwise, I would just assume, not have
25 vehicles in there, overnight, during the flood season.

1 And I would like to know whether that would create
2 real problems here. And I would like to point out that
3 during the flood season -- well, if you give me no
4 overnight vehicles during that period of time. I don't
5 care about the trailers so much.

6 Is the applicant here?

7 SENIOR ENGINEER BUTLER: Yes, the applicant is
8 here. Is it appropriate to --

9 PRESIDENT CARTER: Yes.

10 SENIOR ENGINEER BUTLER: I would like to introduce
11 Greg Miner [sic] who's representing the applicant.

12 MR. KWIATKOWSKI: I'm not the applicant. My
13 father-in-law is the applicant, but it's a pleasure to
14 talk to you. And let me explain the situation with this
15 area.

16 Knowing the history of the flood in this
17 particular area, we have every ten years a situation when
18 we have a flood. It happened, for example, last year, and
19 we managed this perfectly. It happened ten years before,
20 twenty years before, and 30 years before. So the
21 frequency, to answer your question, is approximately ten
22 years. So it's not like we dealing with flood situation
23 every year, of course.

24 VICE PRESIDENT HODGKINS: I understand.

25 MR. KWIATKOWSKI: If -- talking about moving the

1 vehicle, actually, we pretty much work very hard to
2 provide additional escaping route from our future park,
3 which allow us to move all the vehicle in maximum time, 72
4 hours, detailing with 200 stations, not 66.

5 So dealings with 66 stations, my understanding is
6 we can shorten this time to approximately 24 hours or even
7 less.

8 So controlling, by the way, the basins, the three
9 major basins of water, which basically are around the area
10 and depend -- depend how is the level of the water in
11 those basins, we develop systems which is based on
12 satellite navigation system, which allow us to control the
13 level during the flood season up to actually every minute
14 of what's going on with the level of the water in those
15 basins.

16 So we have direct contact with operators of those
17 basins, and we have direct contact, over the Internet, to
18 control the level of the water.

19 So basically, we know when the water is passing
20 the critical point, and we not going to wait absolutely to
21 the time when we have 72 hours to move the vehicles. If
22 there's even any minimal risk the flood can happen, that
23 is what will be call an evacuation situation, and we are
24 going to move all the vehicle. So that will probably
25 answer question.

1 We will have more than a week of time to move all
2 the vehicle, which has to be in our park, every single
3 one, on the wheels. That means we will not allow
4 permanent structure, any unintended trailers, any campers
5 without motors, which we call motor homes, be on the
6 property. So simply speaking, every single unit has to be
7 motorized and it can be removed in a minimal time.

8 We went through last flood, and we have to
9 evacuate all the equipment. The office was on this
10 property left by a previous company, and took us less than
11 12 hours, using our equipment to move everything above the
12 levee and put in a safe place.

13 On the other hand, we are not going to have any
14 situations with Oroville and Linda, based on the fact of
15 the route, which is connecting us to the other side of the
16 levee, is directly connected to the concrete plant, and we
17 have an agreement with those people -- there's a huge
18 parking area -- to put our -- our RVs straight in the
19 concrete plant parking spot.

20 So basically, all the RVs, all the equipment, will
21 be parked in the area where there's minimum contradiction
22 to Linda sides. We are not going to be public routes. We
23 are not going to use public parking spot. We have a place
24 which is basically ready for us during the flood zone, if
25 we have to utilize.

1 So if I can answer the question, if we can operate
2 this park during the flood zone, knowing the history of
3 the flood over there, we are -- my opinion, we are pretty
4 much minimum risk for anybody who's staying at a RV park.

5 And basically, like I said, we are not going to
6 wait to the end. We are going to start our evacuation if
7 there's even minimum risk a flood can happen. I don't
8 know if that will be satisfactory for your question, but
9 that's our major idea about how to deal with the situation
10 in the floodplain.

11 VICE PRESIDENT HODGKINS: Well, it's kind of the
12 best laid plan kind of thing. Would have the equipment to
13 use the vehicles yourself if, for instance, the owner --

14 MR. KWIATKOWSKI: Yes, absolutely.

15 VICE PRESIDENT HODGKINS: So you have a tow truck?

16 MR. KWIATKOWSKI: We have, actually, right now,
17 ready to use approximately 30 acres with capacity of
18 towing an RV.

19 So for example, if there's an emergency situation,
20 they cannot move by itself, we will tow them away from the
21 property.

22 VICE PRESIDENT HODGKINS: Okay. Have you talked
23 to any of the business or any of the people in operations
24 in Oroville, to see what they think of this?

25 SENIOR ENGINEER BUTLER: No, I have not. I have

1 only been working on this for, like, two weeks. But I
2 brought with me my awareness of the flood operation system
3 and the flood forecasting system. And that's kind of why
4 I dwelled a little bit of the river gauges.

5 That was one of the questions I had, myself, that
6 I wanted to take a look at. Well, how much lead time
7 could they get provided to them through DWR and Weather
8 Service Joint Forecasting Team and the Flood Operations
9 Center.

10 And I quickly realized, they could get an extended
11 forecast maybe out up to three to five days. But in terms
12 of the official forecast, it's not going to be much more
13 than a day. And so that's one of the concerns that I had
14 in ultimately adding those couple of conditions, that I
15 want them to coordinate their evacuation plan, not only
16 with us but with Yuba County OES. And that, in turn, the
17 County would say, "Well, what are our forecasting guide
18 points that we use in this area?" And they quickly kind
19 of realized it's Oroville, Bullards, the Marysville gauge,
20 and the Yuba City gauge.

21 So no, I have not specifically talked with those
22 operating agencies, but I'm basing my analysis of this on
23 my own expertise.

24 VICE PRESIDENT HODGKINS: Okay. Now, two-thirds
25 of the Yuba River watershed is not controlled.

1 SENIOR ENGINEER BUTLER: Right.

2 VICE PRESIDENT HODGKINS: I would be much more
3 comfortable voting on this issue if I had somebody here
4 from operations from Oroville who would say that they are
5 comfortable with that kind of approach. And for now, I
6 will stop at that.

7 I just -- I know the arguments Sacramento County
8 and the Parks Department have had with the Bureau and the
9 Corps, over the timing of releases out of Folsom. The
10 Bear, the timing of the releases of course affect the
11 flood protection downstream. And the same thing would be
12 true here, if it became a constraint. That's my concern.

13 SECRETARY DOHERTY: One of the conditions was that
14 there be access to the recreation room office in the event
15 of the flood, because it's elevated. But why would people
16 need to escape there when there's supposed to be an escape
17 route and they are already supposed to be out of there?

18 SENIOR ENGINEER BUTLER: You are reading from?

19 SECRETARY DOHERTY: A letter from Mr. Rabbon to
20 the chief construction operations division of the
21 Department --

22 SENIOR ENGINEER BUTLER: That's the Corps --

23 SECRETARY DOHERTY: The Corps letter. Yeah.

24 SENIOR ENGINEER BUTLER: Let me get my copy of
25 that, please.

1 What's the number on that?

2 SECRETARY DOHERTY: It's the second page, No. P.

3 SENIOR ENGINEER BUTLER: I don't believe I can
4 answer that question.

5 Let me ask Steve.

6 SECRETARY DOHERTY: Okay. Well, the previous
7 page, G, "The proposed excavation operation shall be made
8 with slopes of one on three or flatter."

9 Should not those tanks be underground rather than
10 impede the flow of the water?

11 SENIOR ENGINEER BUTLER: You are referring to, I
12 believe, the septic tanks?

13 SECRETARY DOHERTY: Yes.

14 SENIOR ENGINEER BUTLER: I believe they are
15 buried.

16 Let me ask Steve Dawson to answer this.

17 MR. DAWSON: I can answer this question. This
18 letter refers to the original submittal. The project has
19 been modified. The tanks are underground. There is
20 access from a lower portion of the project, up to the
21 island, as they call it, where the recreation room will
22 be.

23 There's a series of stairs, concrete steps, wooden
24 steps, that will give access in an emergency situation to
25 that island. That's under the new plan, the new

1 submittal.

2 SECRETARY DOHERTY: So they'd go out to the island
3 to be --

4 MR. DAWSON: If there's an emergency, some water
5 came through in a surge. But normally, they would have
6 time not to go there, but out of the floodway entirely.

7 SECRETARY DOHERTY: Okay.

8 Item 35, all permanent structures. I thought
9 everything was going to be temporary and movable, but it
10 says they are going to be anchored.

11 MR. DAWSON: In response to that, "permanent
12 structures" are meaning the signs. There are entry signs.
13 There are other utilities for the RV sites. There are
14 a -- like a wedding chapel pavilion-type thing. It's all
15 concrete structures near ground level. Anything that is
16 not to be removed will be anchored.

17 Now, anything that is habitable will be removed.
18 they are temporary, meaning they are mobile.

19 This is referring to the concrete structures or
20 other wooden signs or other appurtenances to the project.

21 SECRETARY DOHERTY: Proposed fuel tanks? That was
22 Item No. 29. What -- how many gallons? What type of
23 thing will that be?

24 MR. DAWSON: This is a submittal that I have not
25 seen yet. This is a request for them to show us what they

1 plan to do on the utilities.

2 SECRETARY DOHERTY: And it's going to be
3 considered a year-round park, not from May to October; is
4 that right?

5 SENIOR ENGINEER BUTLER: I believe it's our intent
6 that we would like to grant them the ability to open their
7 park up, year-round, subject to an appropriate emergency
8 response plan and evacuation plans that have been
9 sufficiently coordinated with County EOS and ourselves.

10 MEMBER BURROUGHS: Why wasn't the total plan
11 submitted in detail, for the whole 200?

12 SENIOR ENGINEER BUTLER: I will ask Mr. Miner to
13 answer that.

14 MR. KWIATKOWSKI: Actually, the answer to this
15 question is pretty simple. We started this in 2002, and
16 that was five years ago. That is the time when we applied
17 for -- same time we applied for a structural engineer to
18 develop my idea.

19 And the first 66 station was submitted to us from
20 Northstar Engineering in 2005. It takes them actually
21 three years to get where we are, right now. So we didn't
22 have a chance to submit all the planning for 200, because
23 they would be not ready at this time.

24 They will be ready probably, I would say, in a
25 month or two from now, for all 200 stations.

1 PRESIDENT CARTER: Just out of curiosity, what
2 happens to gray water and black water tanks when they go
3 underwater?

4 MR. DAWSON: They are to be designed to local
5 codes. They are to be anchored against floatability.

6 In other words, they will be filled with cleaned
7 water. They will be pumped empty and filled with clean
8 water during the duration of a high water event, at which
9 time, when the water recesses, they would become
10 functional again.

11 PRESIDENT CARTER: So they will be pumped out
12 again?

13 MR. DAWSON: They will be pumped out again.

14 PRESIDENT CARTER: How long does that take? I
15 mean --

16 MR. DAWSON: I can't answer that. I don't know
17 how long.

18 PRESIDENT CARTER: How much lead time do they need
19 to do that? The contents that are in there already, what
20 happens to that?

21 MR. DAWSON: I would probably say in a day. That
22 is something we could research and get back to you on.
23 But the pumping company could be out there in a matter of
24 hours. I don't know what volume would be in the tank.

25 PRESIDENT CARTER: They are talking 10,000

1 gallons.

2 MR. DAWSON: Doesn't mean it was full at all
3 times. So I'm not sure.

4 PRESIDENT CARTER: Several 5,000-gallon tanks.

5 MR. DAWSON: I'm not sure how to answer the
6 question.

7 PRESIDENT CARTER: Okay.

8 SECRETARY DOHERTY: One other thing: If it was a
9 year-round park, would you have or would the owners have
10 someone that, weekly, went around and made sure that every
11 vehicle was running, that it had fuel in its tank, no flat
12 tires?

13 SENIOR ENGINEER BUTLER: Greg, I think you need to
14 answer this one.

15 MR. KWIATKOWSKI: Yes. We intend to have a
16 manager and a system manager, and of course we have a
17 group of people working in RV park. And we are going to
18 also not only maintain the tires and the gasoline on the
19 RVs, we will strictly control our sewage, especially black
20 water disposal.

21 To answer your question, the biggest question, we
22 have agreement with Thrift Company, who's one of the
23 biggest sewage disposal company in this area.

24 And in order to clean our septic tank, they are
25 willing to send, immediately, when we need them, if we

1 know the flood is coming, four vehicles to clean all the
2 tanks in less than one day.

3 So basically, in one working day, all the tanks
4 will be cleaned and filled with water, and they will be
5 lined with a special semiautomatic system we are
6 developing right now, to be sure there's no leakage from
7 any outputs from sewage lines.

8 And I submitted these papers to Mr. Donaho, who is
9 from Yuba County Environmental. He was pretty much
10 pleased with the entire idea, because that is his
11 department and he's concerned about the environmental
12 issues.

13 We are going to have people. They are going to
14 maintain vehicles. They are going to maintain our
15 equipment. They are also going to maintain the entire
16 sewage system. So for example, in this area, when we have
17 to disconnect vehicle from the sewage and that's why we
18 have two different tanks, gray and black water.

19 You see, in normal scenario, RV connect directly
20 to the black tank. With our scenario, we eliminate the
21 connection only to the gray tank. What does that mean?
22 There will be no connection between the black water and
23 the black water tank at any time except when we are --
24 when they are ready to release the black water. That will
25 eliminate possibility of spreading the black water above

1 the ground during the risky season.

2 So we modified the connection of our RVs to a
3 little bit different of technology, that will allow the RV
4 to connect gray water, only to the gray water tank, and
5 necessary connection when they are going to dump the black
6 water to the black water tank. That's the reason we
7 develop two different tanks, gray water and black water.
8 See, usually, we are mixing black water and gray water
9 with RV, because it doesn't make any difference. Both has
10 to go.

11 In our idea, which is much more expensive, of
12 course, idea, the connection between the RV and septic
13 system will be directly between gray water only and RV.
14 Whenever the RV is ready to release the black water, it
15 will be operated only by our employee. So basically, only
16 the owner of RV will be not -- it will be not authorized
17 to remove the gray water -- black water, excuse me,
18 without supervision of trained employee.

19 And we will be hundred percent sure that black
20 water is released the way it's supposed to be, with proper
21 connection, and the line be flushed afterward.

22 I don't know if that answers your question.

23 MEMBER RIE: I have a new question.

24 MR. KWIATKOWSKI: I will stay here.

25 MEMBER RIE: In the staff report, under the staff

1 recommendations, Item No. 4 it says, "RD 784 endorsement
2 is unacceptable."

3 And then you refer to -- back in October 6, 2005,
4 a letter from the general manager to Richard Webb.

5 And in the letter, it states that "any condition
6 that transfers local maintenance responsibility to the
7 State is unacceptable."

8 I was just curious, is Rec District 784 requesting
9 that the Rec Board take over maintenance of the adjacent
10 levee?

11 SENIOR ENGINEER BUTLER: Not to my knowledge. We
12 have not received that request. We do have a
13 representative of the district in the audience.

14 PRESIDENT CARTER: Mr. Webb, would you like to
15 come up and address or give us a perspective on what 784's
16 position is on this?

17 MR. WEBB: My name is Richard Webb. I'm the
18 President of the Board of RD 784.

19 And in direct answer to your question, no. We do
20 not have any intent to transfer the maintenance
21 responsibilities of the adjacent levee to the Rec Board.

22 But since -- if I may, I requested a comment on
23 that. If I may comment now, because it's germane to your
24 question.

25 MEMBER RIE: Sure.

1 MR. WEBB: My question about the comment that
2 Mr. Rabbon made is, I don't understand, and someone will
3 have to explain to me, how the condition that we submitted
4 in any way transfers or hints of transferring
5 responsibility for maintenance of the levee to the Rec
6 Board or anybody else.

7 And I don't understand the connection between his
8 objection to the condition that we placed in the
9 application. Incidentally, this is a condition that we
10 have submitted on numerous times in the past, and it has
11 never created any comment adversely from the Rec Board.
12 On this particular application, it has.

13 So I would like somebody to, first of all, explain
14 to me the connection between the language in our condition
15 and how that is being interpreted as being -- trying to
16 transfer maintenance responsibility to the Rec Board.

17 MEMBER RIE: You know what? It sounds like, based
18 on your response, that someone misunderstood your comments
19 or misread your comments.

20 But from what you are telling us, you are not
21 asking the Rec Board to take responsibility for the levee,
22 which is what was implied in the October 5th letter.

23 MR. WEBB: Well --

24 MEMBER RIE: So it must have been a
25 miscommunication, is what I'm guessing.

1 MR. WEBB: Like, my question is, and I would like
2 somebody to tell me what the connection is between the
3 language of the condition. And let me just read it again:
4 "No encroachment shall be permitted within the floodway
5 until it has been determined by the California Reclamation
6 Board and the Department of the Water Resources of the
7 State of California that the encroachment will not have a
8 detrimental effect on any levee or any other flood control
9 structure."

10 Simply, what we're saying is, we would like for
11 you to tell us that the people behind our levees are not
12 going to be in danger, by approving whatever encroachment
13 you are going to permit in the waterway. We have no
14 control. You understand, we have no control over what
15 goes in -- what happens in the river bottom, beyond the
16 10-foot easement that we have for maintenance.

17 And all we're simply asking is, tell us -- make
18 sure you have evaluated it to make certain that the
19 citizens on the other side of the levee are properly
20 protected.

21 And I think, if I understand the whole permit
22 process, that's your goal, in evaluating a permit, you
23 evaluate it to make sure that it doesn't have an adverse
24 affect on the flood protection that is being provided.

25 MEMBER RIE: Mr. Bradley?

1 CHIEF ENGINEER BRADLEY: Yes. It is not RD 784's
2 job to tell us what to determine. Their job on the
3 comments on the encroachment permit are to say whether it
4 affects their ability to perform operation and maintenance
5 on that levee. So part of this is inherently our
6 authority. It's not up to them to tell us if that's for
7 us to determine. The others have a chance, an
8 opportunity, to comment as to whether this encroachment
9 permit will inhibit their ability to operate and maintain
10 the levee, which is their assurances to us that they would
11 do.

12 MEMBER RIE: Okay. So assuming that staff has
13 done their job and fully evaluated the impacts of this
14 proposed encroachment, does Rec District 784 have any
15 objections to this permit or this encroachment?

16 MR. WEBB: First, let me address Mr. Bradley's
17 comment, because one of the things that we believe, as a
18 reclamation district, is that we -- first of all, the
19 levee is owned by the State. And secondly, we are the
20 maintaining agency for the State. And part of that
21 maintenance activity is to become aware of and notify the
22 State and the -- and the Corps of Engineers of anything
23 that we see that would endanger the structure of the levee
24 and/or the safety of the people behind the levee.

25 So what we're saying as part of that

1 responsibility that you tell us that when you approve of
2 an activity, behind the levee, that it's not going to
3 affect the safety of the people behind the -- that are
4 being protected by the levee. And so I would probably
5 disagree with Mr. Bradley's interpretation of that.

6 CHIEF ENGINEER BRADLEY: That is not what this
7 condition is for. That is inherently our process to
8 review, is to determine the safety of the people behind
9 the levee.

10 His job is to comment on whether he can perform
11 the operation and maintenance that he's required to do,
12 that he's provided assurances to us for. He's not to tell
13 us to determine the safety of the people. That is
14 inherent in your responsibilities as a Board in
15 considering this decision. That's the difference here.

16 VICE PRESIDENT HODGKINS: Let me see if I can say
17 this a different way and it would be the same thing.

18 I mean, in effect, having the condition in the
19 permit would imply that all of the liability associated
20 with making sure that in granting this permit, everybody's
21 safety has been transferred to the Reclamation Board. And
22 while to some extent that's true, we don't want to see a
23 permit condition, in effect, put the total burden on us.

24 Is that what we are going to do here?

25 CHIEF ENGINEER BRADLEY: Yes. And I think the

1 letter was misstated -- not misstated. I think -- I
2 presume staff prepared this letter and the general manager
3 at that time signed it. I think the issue really was
4 liability rather than the operation and maintenance.

5 But what I'm saying is, if he thinks there's a
6 problem of safety, then he should say so. And that has
7 not been. He is just saying, "Well, you should do that."
8 That is inherent in the process that the Board is involved
9 in.

10 VICE PRESIDENT HODGKINS: By putting it in the
11 permit, it is like you transferred all the liability of
12 that determination to the Reclamation Board, and the
13 Reclamation Board doesn't want that in the permit. It's
14 that simple.

15 Does that make any sense to anybody else? I mean,
16 it does to me.

17 MEMBER RIE: Do you see any problems with your
18 ability to operate and maintain the levee with the
19 campground being constructed?

20 MR. WEBB: We definitely -- we do not have a
21 problem with the permit. We have, I guess, a disagreement
22 of the condition that we submitted and you have declined.

23 MEMBER RIE: Okay. But you don't have any
24 problems with the campground, per se?

25 MR. WEBB: Not from an operation and maintenance

1 standpoint, no.

2 MEMBER RIE: Okay. Thank you.

3 MR. WEBB: But anyway, that's -- I think we just
4 don't agree in the concept of what's doing what.

5 MEMBER RIE: Okay.

6 PRESIDENT CARTER: Any other questions for
7 Mr. Butler on this?

8 MEMBER BURROUGHS: How soon will the evacuation
9 plan be completed?

10 SENIOR ENGINEER BUTLER: I believe that's in one
11 of the conditions that we want them to submit us -- a new
12 plan, I believe, within 60 days of approval of the permit
13 for -- there's one other clause in there. I will look it
14 up. See if I can find that here, for you. Okay.

15 Special Condition 44. "A more detailed than
16 submitted high water monitoring and evacuation plan,"
17 blah, blah, blah.

18 Within 60 days of the date of the permit -- oh, it
19 says, "submitted to the Reclamation Board for approval
20 prior to human habitation of the park or within 60 days of
21 the date of this permit."

22 So essentially, they have two months, once the
23 permit is approved. Or I guess unless, you know, it takes
24 them another year or two. It doesn't say whichever is
25 first, so I would assume that means --

1 MR. DAWSON: I can clarify that.

2 Steve Dawson. I can clarify that.

3 The intent was, as I wrote that, was to give them
4 two months to a defined date. If they cannot meet that,
5 they cannot put anybody in the floodway until they can get
6 an evacuation plan in place.

7 We would like to see it as soon as possible,
8 before the next flood season. If they cannot make that
9 date, then not be at the park.

10 PRESIDENT CARTER: Any other questions?

11 Mr. Foley, you mentioned that you wanted to speak
12 on Item 11. Was that A or B?

13 MR. FOLEY: Not this.

14 PRESIDENT CARTER: Not this one. Okay.

15 MEMBER RIE: Just one more quick question.

16 PRESIDENT CARTER: Yes.

17 MEMBER RIE: What is the status of the categorical
18 exemption? Is that done, or do we need to approve that
19 today?

20 SENIOR ENGINEER BUTLER: Chris Huitt can address
21 that for us.

22 MR. HUITT: Good afternoon. Christopher Huitt,
23 CEQA coordinator, Floodway Protection.

24 The categorical exemptions Class 3 and 4 have been
25 written. They are awaiting General Manager's signature.

1 MEMBER RIE: So does staff want the Board to
2 delegate authority to the general manager to sign those?

3 MR. HUITT: They could be signed after the Board
4 makes the -- makes a decision.

5 MEMBER RIE: Okay. Since we're the lead agency,
6 we're going to have to approve it as a Board.

7 MR. HUITT: Correct.

8 MEMBER RIE: So are you asking for that approval
9 today?

10 MR. HUITT: Yes.

11 SECRETARY DOHERTY: And this is to be 600, did you
12 say, or 200 sites?

13 SENIOR ENGINEER BUTLER: The ultimate build-out
14 would be 200. The permit initially would be authorizing
15 them to construct 66 sites. And then the second
16 recommendation was to delegate your authority to Mr. Punia
17 to approve a future revision to the permit for up to 200
18 sites, once the applicant has the sufficient design
19 drawings and specifications to us and we have agreed that
20 they are sufficient.

21 PRESIDENT CARTER: One more member of the public
22 that wanted to speak on this.

23 Mr. Countryman?

24 MR. COUNTRYMAN: Joseph Countryman. I'm a civil
25 engineer. I'm not representing anyone, and probably -- I

1 don't know why I'm exactly up here, but I feel compelled
2 to share my experience with this type of thing, which has
3 been very bad.

4 There was an RV park on the San Joaquin River
5 inside the levees. In 1997, it was flooded. It had a
6 beautiful evacuation plan that the Rec Board had approved
7 some ten years prior to that point.

8 And apparently no one could find it, ten years
9 later when it came time to evacuate the park. It resulted
10 in a lawsuit that the adjoining reclamation district was
11 sued over because the RV park was inundated and the
12 vehicles and things were damaged during the event.

13 I know for a fact that New Bullards Bar Reservoir
14 already receives pressure on making flood releases, not
15 because of the RV park, but because of other activities
16 that are in the flood -- Yuba River floodway.

17 I just have to believe, if you put an RV park in
18 there, there's going to be even more pressure on Yuba
19 County Water Agency to not make flood releases during the
20 flood season.

21 I just feel, based on my experience, that the RV
22 parks shouldn't be there during the flood season, unless
23 there's some overwhelming compelling reason for it.
24 Because you just can't -- in my view, it impacts the
25 operation of the flood control system, having people and

1 property in that floodway.

2 That's all.

3 PRESIDENT CARTER: Thank you. Any other
4 questions?

5 SECRETARY DOHERTY: Mr. Webb wanted to speak
6 again.

7 PRESIDENT CARTER: Mr. Webb?

8 MR. WEBB: Richard Webb, president of RD 784.

9 I would just like to have them, based on
10 Mr. Bradley's comments, in reply to my question, I would
11 like to have him set the record straight or you, as a
12 Board, set the record straight, so there's a better
13 understanding of why you object to this particular
14 condition that we put in here. Because it appears that
15 the stated language of the stated objection is not really
16 why you objected to this particular condition being
17 included.

18 And so I would like for you to make a correction
19 to the record to indicate, as Mr. Bradley indicated, the
20 real reason why you object to this condition and include,
21 if possible, your reasoning.

22 And I think he made the comment that your approval
23 implies that safety factors and things have been already
24 accounted for.

25 PRESIDENT CARTER: Okay. I think that -- I don't

1 know if staff's prepared to do that today. We can respond
2 to that specifically to RD 784, in writing.

3 MR. WEBB: And also in your record, because you
4 have objected to the conditions. So I want to make sure
5 that's in there for the right reason, for the objection.

6 PRESIDENT CARTER: Okay. We can enter that into
7 the record as well.

8 Yes, sir?

9 MR. KWIATKOWSKI: If I may. We started this
10 project in 2002. And there is something -- let me put it
11 this way: We called the place Hidden Lakes, because most
12 people living in Yuba County, they don't know it even
13 exist. Many people know exactly where this place because
14 historic dam. This place is famous for dumping, illegal
15 activity, crime activity, drug activity.

16 Since we occupied this place, since we start to
17 work in this place, we have succeed to the point where we
18 have no crime on this property, to trespassing on this
19 property, is we manage the property so the property is
20 safe on this area.

21 On the other hand, everybody knows, major
22 construction on the levee. And we've been the major
23 contributor to this entire project by giving entire area
24 to District 784, to levee district, Nordic and Envecom and
25 every single company who was involved in the project.

1 So we are -- actually, let me put it straight
2 forward. We are good guys. We are trying to develop this
3 property from the bad zone to the good zone.

4 I understand, there's a lot of legality about
5 permits and everything. But our history prove we change
6 this entire area from historic dam to really beautiful
7 park. And we would like to continue to develop this for
8 people that would like to enjoy it as we do.

9 Thank you very much.

10 SECRETARY DOHERTY: One more question, sir.

11 MR. KWIATKOWSKI: Yes.

12 SECRETARY DOHERTY: Are you there at the present
13 time as a mobile home park? Or are you just simply a
14 park, right now?

15 MR. KWIATKOWSKI: We are simply right now a
16 beautiful place. We don't have any mobile parks right
17 now. It's open area, ready to develop RV park.

18 But this area, instead of being a dump area, this
19 beautiful lake with old trees and all the effort we put in
20 order to secure this place and develop this place for
21 future operation.

22 SECRETARY DOHERTY: Thank you.

23 MR. KWIATKOWSKI: Thank you.

24 PRESIDENT CARTER: What's the pleasure of the
25 Board at this time?

1 MEMBER RIE: I would like to make a motion.

2 PRESIDENT CARTER: Okay. We will entertain a
3 motion.

4 MEMBER RIE: I move we delegate the authority to
5 approve the permit and the CEQA document to staff, and to
6 have staff work with the applicant to develop an adequate
7 emergency evacuation plan and work with all the
8 appropriate agencies to do that, and address any other
9 outstanding questions that the Board members have at
10 today's hearing.

11 PRESIDENT CARTER: Okay. So we have a motion to
12 delegate the authority to the general manager to approve
13 the permit and the CEQA documentation, and resolve the
14 questions that the Board has had today, including the
15 evacuation plan.

16 Is there a second?

17 SECRETARY DOHERTY: Might I ask you, if you intend
18 for that motion to make it a year-round park?

19 MEMBER RIE: As submitted by the staff, based on
20 their recommendations.

21 PRESIDENT CARTER: Do we have a second?

22 Okay. We will entertain any other motions.

23 That one dies for lack of a second.

24 VICE PRESIDENT HODGKINS: I will move approving
25 the item as recommended by staff, with the addition of the

1 condition that says, "No overnight vehicles between
2 November 1st and April 15th."

3 PRESIDENT CARTER: Okay. We have a motion before
4 us to approve the permit as recommended by staff with the
5 special condition of no overnight vehicles between the
6 dates of November 1 and April 1.

7 VICE PRESIDENT HODGKINS: April 15th.

8 PRESIDENT CARTER: I'm sorry. April 15th.

9 SECRETARY DOHERTY: I will second that.

10 PRESIDENT CARTER: Okay. We have a second.
11 Is there any further discussion?

12 MEMBER BURROUGHS: I'm uncomfortable moving
13 forward with this until -- until all of the information is
14 presented to the Board.

15 PRESIDENT CARTER: Okay.

16 MEMBER RIE: I have a question for staff.

17 Is the applicant okay with just having a
18 summertime campground at this site, or is the benefit-cost
19 analysis showing that it needs to be a year-round
20 campground?

21 SENIOR ENGINEER BUTLER: I don't know. You will
22 have to ask the applicant that.

23 MR. KWIATKOWSKI: Actually, of course, I prefer to
24 have this RV park open all year round, from simply a
25 standpoint -- a business standpoint, of business.

1 But let me refrain very important aspect. Except
2 RV park, we provide to this area security. We have three
3 cars securing this area all the time.

4 If we would be unable to secure this area at night
5 or be unable to give this place and leave all day, you
6 know, area totally unsecured, we are risking to lose
7 entire business, based on the fact we are living in a very
8 difficult community right now, which is changing rapidly
9 for better.

10 And we are working very hard with the police
11 department, with all the departments, especially
12 environmental, and we are securing this area 24/7.

13 So if we shrink our operation to not overnight
14 campers and not allow them to be overnight over there,
15 that will be pretty much impossible to secure the entire
16 project and secure, you know, this area, which is
17 absolutely critical to this project.

18 So I prefer, definitely, if we can continue our
19 project and we can develop, you know, evacuation plan and
20 secure the plan for our RV operations, so we will be
21 allowed to have this RV project open all season.

22 Thank you.

23 PRESIDENT CARTER: Okay. So before us, we have a
24 motion to approve the permit as recommended by staff. The
25 staff recommendations are there on the screen. It's a

1 66-RV site campground, overnight, with day use only from
2 November 1 through April 15th, with delegation of the
3 authority of the general manager for future expansion and
4 the reiteration to RD 784.

5 Is there any other further discussion?

6 Okay.

7 Mr. Punia, would you call the roll, please?

8 GENERAL MANAGER PUNIA: Vice President Butch
9 Hodgkins?

10 VICE PRESIDENT HODGKINS: Aye.

11 GENERAL MANAGER PUNIA: Board Member Teri Rie?

12 MEMBER RIE: Yes.

13 GENERAL MANAGER PUNIA: Board Member Lady Bug?

14 SECRETARY DOHERTY: Yes.

15 GENERAL MANAGER PUNIA: Board Member Rose Marie
16 Burroughs?

17 MEMBER BURROUGHS: No.

18 GENERAL MANAGER PUNIA: President Carter?

19 PRESIDENT CARTER: Aye.

20 So the motion carries, four to one.

21 And so we will move forward.

22 Thank you very much.

23 Let's take a ten-minute recess. We'll be back
24 here at -- before 2:30.

25 (Thereupon a break was taken in

1 proceedings.)

2 PRESIDENT CARTER: If we can go ahead and
3 continue. At this point, we are on Item 11A, Application
4 No. 18170, Three Rivers Levee Improvement Authority, Yuba
5 County, originally scheduled for 11:30 this morning.

6 LEGAL COUNSEL MORGAN: Good afternoon. I realize
7 I'm not the scheduled presenter, but this has been subject
8 to a lot of last-minute discussions.

9 Just to sort of give you the background on this,
10 the question came up whether this could be presented just
11 for the 408 letter, and not the permit. The 408 letter
12 wasn't agendized, but what I have opined is that because
13 of the 408 process, however, we want to characterize it
14 when we actually write the letter to the Corps. But just
15 for shorthand, the 408 letter, the letter we send to the
16 Corps is a subset of the permit process when we modify a
17 federal levee.

18 We don't have to specifically mention it any more
19 than we have to especially by CEQA findings that the Board
20 is required by CEQA law to make. Therefore, it wasn't
21 necessary to specifically agendize that as a line item.

22 However, it required that if we were going to go
23 through the entire process, we wanted to see that the
24 permit be ready to go. That's going to require specific
25 CEQA findings that the staff has unfortunately not been

1 able to make. They have not been able to evaluate a lot
2 of the issues. I think they are comfortable with what the
3 results will be when they get all the documents and look
4 at them, but they are not in a position to advise the
5 Board on that now. So we are advising -- and also, the
6 regulations specifically require Environmental Review
7 Committee review these sort of projects before they come
8 to the Board.

9 It's nondiscretionary, as I had assumed. I'm
10 surprised to find that it's actually a mandatory
11 requirement of our regulations that can't be waived. But
12 the 408, which is still a subset of the permit process, is
13 still on the table. The Corps -- when it goes through the
14 process of approving 408, but they -- it does not
15 necessarily trigger CEQA review for the state to ask for
16 that review, and what the position of the project is in.
17 Here, it's obviously in a very preliminary position.

18 So what I feel is legally something I'm
19 comfortable advising the Board that it can do, if it
20 wishes to do, is to delegate to staff to send a letter
21 pursuant to 408 for this project to the Corps, but
22 specifically, we'll have to advise the Corps in that
23 letter, the position at which this project finds itself,
24 which it has not yet been reviewed or approved on
25 technical merits by the Board. There's been no

1 environmental review or anything else.

2 So it may end up being an advisory opinion from
3 the Corps. But nevertheless, that we can take action on,
4 if the Board chooses to do so today.

5 And with that, I will answer any questions. And
6 if you have any other question, I can turn it over to
7 Scott Shapiro.

8 MEMBER RIE: I have a question.

9 LEGAL COUNSEL MORGAN: Yeah.

10 MEMBER RIE: We don't specifically have to
11 question 408 at this time. We can make it a general
12 request to review the application, such as we did with
13 SAFCA; correct?

14 LEGAL COUNSEL MORGAN: Yeah. And, in fact, what
15 we would write to the Corps would be similar to the letter
16 that was written. We will not specify the statutory
17 authority in which the Corps would make its review, but we
18 would ask for a review by the Corps, for modification of
19 the federal project. But unlike SAFCA, and we
20 specifically have approved the project and we're waiting
21 for the Corps to review, here, the Board will not have
22 approved the project. But we will nevertheless be asking
23 the Corps for -- if a -- they will consider and review the
24 project.

25 MEMBER RIE: But we could make the letter general

1 enough so that the Corps can make their own determination
2 as to which authority they want to use.

3 LEGAL COUNSEL MORGAN: Exactly. That's our
4 standard practice.

5 MEMBER RIE: Okay. Thank you.

6 LEGAL COUNSEL MORGAN: We don't specify the
7 federal law that they operate.

8 MEMBER RIE: Okay. Thank you.

9 PRESIDENT CARTER: And the rationale for
10 recommending that we go ahead and send the letter to the
11 Corps now as opposed to waiting until we have considered
12 the project is because of the lead time required to have
13 the Corps work its process?

14 LEGAL COUNSEL MORGAN: I will let Scott Shapiro
15 address the timing issue.

16 What I'm speaking to here is what I feel is
17 legally acceptable for the Corps to take action on. And
18 then Scott should discuss why it's necessary to take
19 action now as opposed to waiting.

20 PRESIDENT CARTER: Okay. Any other questions for
21 Scott No. 1?

22 (Laughter.)

23 VICE PRESIDENT HODGKINS: Scott, why is it only
24 this letter we can take action on?

25 LEGAL COUNSEL MORGAN: Well, the permit itself

1 requires environmental findings, and there's no way that
2 the Board can make those findings today, given the fact
3 that the staff hasn't been able to review -- review things
4 in a timely fashion.

5 So the staff is not able to make any kind of
6 presentation to the Board, and our regulations
7 specifically require Environmental Review Committee review
8 before it's brought to the Board. And that has not
9 happened.

10 So that actually is the knockout clause. In the
11 regulations, there's a specific line that says, "The
12 Environmental Review Committee shall review the projects."
13 And it has not done that.

14 VICE PRESIDENT HODGKINS: But they routinely grant
15 variances from the regulations?

16 LEGAL COUNSEL MORGAN: Again, under the variances,
17 there are things for Board standards. The Board can grant
18 variances to its standards for levees, encroachments and
19 things like that. But this is a specific requirement of a
20 procedure, and there's no allowance in the regulations
21 that the Board can grant variances to its regulatory
22 procedures.

23 VICE PRESIDENT HODGKINS: So then, in effect, we
24 would be a violation of the law if we went ahead, before
25 we had this review by the Committee?

1 LEGAL COUNSEL MORGAN: For approving the permit,
2 yes.

3 PRESIDENT CARTER: Any other --

4 LEGAL COUNSEL MORGAN: But even if the ERC issue
5 was not on the table, I think the problem is, the Board
6 also has to make specific findings as a responsible
7 agency. And it is pretty clear from the posture of the
8 staff's review of the documents is -- at the moment is,
9 there's no way that the Board will be able to make this
10 finding today.

11 So this puts that off to a time when the staff
12 will be able to come back and present -- I mean, none of
13 you, I presume, have gotten the environmental documents
14 yourselves.

15 So it will put that off to a time when you can
16 come back and make those determinations, look at the
17 project.

18 VICE PRESIDENT HODGKINS: Perhaps, is the reason
19 we didn't get this reviewed by the Committee because we
20 didn't have the necessary information?

21 LEGAL COUNSEL MORGAN: I can't speak to that.

22 VICE PRESIDENT HODGKINS: Who can?

23 GENERAL MANAGER PUNIA: We got some information,
24 but the issue was going on with the applicant and our
25 environmental specialist. And that total package was not

1 ready for our previous Environmental Review Committee
2 meeting. And the subsequent -- it will be taken at the
3 subsequent meeting, when the ERC can review it.

4 LEGAL COUNSEL MORGAN: And if there are no other
5 questions, I know, Mr. Shapiro would be happy to talk to
6 you about timing issues that I know are critical.

7 VICE PRESIDENT HODGKINS: Thank you.

8 MEMBER RIE: Just one quick question since you
9 stood up back there, if you don't mind.

10 GENERAL MANAGER PUNIA: Chris Huitt is the
11 specialist assigned to the project.

12 LEGAL COUNSEL MORGAN: He has now learned not to
13 stand up.

14 (Laughter.)

15 MR. HUITT: I thought I was going to get called.

16 MEMBER RIE: Is this going to be scheduled for the
17 next --

18 MR. HUITT: Yes, I'm going to be submitting this
19 on the next Environmental Review Committee submittal that
20 I put forward.

21 MEMBER RIE: And when is that?

22 MR. HUITT: As soon as I finish this last
23 go-around, I was going to start it next week.

24 MEMBER RIE: Next week? Okay.

25 MR. HUITT: Yes, ma'am.

1 MEMBER RIE: Thank you.

2 PRESIDENT CARTER: Could -- I'm sure that staff is
3 a little bit disappointed that all their tremendous
4 efforts this week, to try and get this ready for the Board
5 for this agenda, is not coming to pass.

6 However, at least, you don't have to do it again,
7 so it's ready for the next time. So we appreciate your
8 help. And save it for our next meeting.

9 Mr. Shapiro?

10 MR. SHAPIRO: Thank you, President Carter.

11 Scott Shapiro, special Counsel for Three Rivers.

12 I will be exceedingly brief. I know we are
13 running a little bit behind schedule. Although, I do want
14 to say, I applaud this effort to have the timed items.
15 And I know it's challenging at first, but I think it's a
16 great idea, and I encourage you to continue to do it.

17 Regarding timing, we don't need the permit now.
18 We do need to start the 408 process or, as Ms. Rie would
19 say, the federal process, now. We are concerned that if
20 we don't get that review completed by the Corps in the
21 next two or so months, we would have no ability to
22 construct this here.

23 And we are trying to be able to at least start
24 Segment 1 and 3 construction this year, as you heard at
25 the subcommittee meeting. So from a timing standpoint,

1 this is essential.

2 I do want to note that we do think that there are
3 options that the Board has here. We believe the Board
4 could delegate authority on this matter to the general
5 manager. We don't think that's inconsistent with your
6 regulations, which only require Environmental Review
7 Committee review prior to the issuance of a permit, not
8 before the Board delegated the matter.

9 I would like to remind the Board that there was an
10 EIR on this. It was certified on February 6th. It has
11 passed the 30-day review period, so I don't want the Board
12 or members of the public to think this is any way skirting
13 environmental review.

14 The proposal, however, that staff has come up with
15 is acceptable to us. It will start the 408 process for
16 which we're very appreciative. I would like, with your
17 permission, to work with your general counsel next week to
18 finalize the letter. Our goal would be to get that letter
19 sent next week. And we would certainly encourage any
20 motion to have the intent of the Board on when the letter
21 is sent.

22 And I do want to conclude by just thanking Jay and
23 Scott for their efforts to try to pull something together
24 here; and Dan, for processing; and Chris, who inherited
25 this project midstream, as he came on; for their efforts

1 in trying to get it done. And we look forward to actually
2 seeing the permit come before the Board.

3 Thank you.

4 PRESIDENT CARTER: Thank you. Any questions for
5 Mr. Shapiro?

6 Okay. Mr. Foley, do you want to speak on this
7 item?

8 MR. FOLEY: I suppose, because this is going to
9 cover both? Right?

10 PRESIDENT CARTER: This covers -- this covers
11 Item 11A, which is strengthening in place the left bank of
12 the Feather River, which is referred to as Segments 1 and
13 3.

14 MR. FOLEY: Yes. Thank you. That's the one I
15 wanted to speak on.

16 Tom Foley, director of Concerned Citizens for
17 Responsible Growth.

18 It is -- referring to what I spoke earlier, about
19 the permit, that I would -- you're not going to do that
20 today, but I would -- the same reason I requested to speak
21 on it was that -- I'm familiar with what's going on here,
22 since '03.

23 And I do not believe that the Rec Board -- I think
24 the Rec Board -- this Rec Board is accommodating things
25 that are not in the best interest of the public.

1 I was going to -- my comment on this was going to
2 be that you don't give the permit until you get some
3 information from them about why are we not talking about
4 default, potential default? Why is that not being made
5 public? What is being done about that?

6 PRESIDENT CARTER: I'm sorry. What was the
7 question? Why are we not talking about?

8 MR. FOLEY: What has been done about potential of
9 default? A letter has been sent. What has been done?

10 GENERAL MANAGER PUNIA: We have received a letter
11 from Mr. Tom Foley asking the explanation that there was a
12 commitment from 135 million, that now TRLIA is showing
13 that they are planning to spend a hundred million.

14 And we are -- our counsel is searching it and we
15 will have a written response very shortly to CCRG at some
16 point. And we are preparing that response and gathering
17 that information to send you a response as soon as
18 possible.

19 MR. FOLEY: I didn't hear that from you until I
20 asked that now.

21 GENERAL MANAGER PUNIA: Yes, you will get a
22 response.

23 MR. FOLEY: And also, potential default, that
24 Mr. Hodgkins mentioned about the Marysville thing, what is
25 being done about that?

1 GENERAL MANAGER PUNIA: I think that's a
2 combination. I think Mr. Butch Hodgkins asked the
3 subcommittee at that time -- he asked the staff to look
4 into this, and we are -- our legal staff is checking into
5 this.

6 MR. FOLEY: It has not determined yet that there
7 is a potential for default.

8 GENERAL MANAGER PUNIA: That is correct, that what
9 were the commitments made by TRLIA and what they are
10 planning now, and then we will make the determination and
11 send you the reply.

12 It's the same --

13 MR. FOLEY: All right. Thank you.

14 GENERAL MANAGER PUNIA: It's the same question you
15 posed in the letter and asked.

16 MR. FOLEY: I have to say that the public has
17 committed 3, 4 million dollars to the Central Valley Flood
18 Control. And how do you Board -- how do you see
19 yourselves? You are the Central Flood Control Board. The
20 Air Resources Board, the Water Resources Control Board,
21 they get directly involved in seeing that the air and the
22 water is further -- not just permitted, but they grant --
23 they are directly involved with this.

24 And it seems to me, 3 million in the public, the
25 4 million to the public in the Central Valley -- that the

1 public fairly considers that the Central Valley Flood
2 Control Board should be more actively involved in
3 seeing -- they are a step ahead of us, that can improve
4 flood control as quickly as possible.

5 And if this -- should the public consider this,
6 the Central Valley Flood Control Board has -- similar to
7 has, like the Water Resources Control board that will
8 grant -- will be directly in seeing things are done, not
9 just the permits come to you.

10 And I think the public deserves more, if you are
11 to consider yourselves that kind of Board.

12 Thank you. Good afternoon.

13 PRESIDENT CARTER: Thank you, Mr. Foley.

14 I think just a comment for those who do have
15 questions about what the jurisdiction of this Board is and
16 what our authority is, that's -- there's a tremendous
17 amount of documentation in the Water Code and whatnot, in
18 terms of what our jurisdiction is.

19 There has been a letter from CCRG suggesting that
20 the Board revisit our jurisdiction. That -- the
21 Legislature is the one who really defines what our job is.
22 And there are a number of Assembly bills and Senate bills
23 that are pending right now today, that involve changes in
24 that jurisdiction.

25 So to the extent that you have input on what our

1 jurisdiction ought to be, it's not for our Board to
2 decide. It's for the Legislature to decide.

3 So Mr. Foley, I would suggest that you contact
4 your legislators and make your views clear to them.

5 MR. FOLEY: As a member of the public, I don't
6 consider that --

7 PRESIDENT CARTER: I appreciate that. But that's
8 the reality.

9 Thank you.

10 MR. FOLEY: That is not the reality.

11 PRESIDENT CARTER: Thank you.

12 MR. FOLEY: I'm not sure that you have leeway to
13 act or not act.

14 PRESIDENT CARTER: Thank you. Thank you.

15 Mr. Eres. Thank you.

16 MR. ERES: Thank you, Mr. President and Member of
17 the Board.

18 First of all, again, I want to echo the thanks for
19 your process and procedure of timing matters. And I know,
20 it's gangly to do it, but it's very helpful for those of
21 us in the public to be able to gauge our calendars, and in
22 light of the fact you are going to specifically time
23 matters and not take them up before.

24 PRESIDENT CARTER: Best laid plans.

25 MR. ERES: Well, it's a start. And a trip of

1 1,000 miles begins with, first, a step.

2 I would also indicate to you that in light of
3 Mr. Scott Morgan's presentation, I am compelled to say
4 that those of us in the public read your agendas very
5 carefully. And we look very carefully at what you post on
6 the Web, in terms of what staff reports are going to be
7 presented, so that we can be informed when we come up to
8 address you.

9 On Item 11A, there was no staff report presented
10 on the Web, and I doublechecked this morning, there was
11 nothing on the Web. And I checked with Mr. Bradley to see
12 if there was any staff report on the Web. So from my
13 standpoint, I think it's fortuitous that this is being
14 continued on other matters, but goodness, it's important
15 for us to have that information up front.

16 And with all due respect to Three Rivers, many
17 times in their expeditious efforts to get their works
18 done, sometimes those reports get handed out at a meeting
19 and it does not give us an opportunity to take a look at
20 them and comment on them.

21 With respect to taking up the issue of the 408
22 permit, I will respect your legal counsel's point that you
23 feel you have the authority to do that today. I don't see
24 it on the agenda. I'm not prepared in terms of the
25 implications of it.

1 I did appear at the subcommittee meeting in
2 Marysville, and suggested that there ought to be far more
3 integration between this Board, Department of Water
4 Resources, FEMA, and the Corps of Engineers.

5 You are all in it together. It ought to be
6 integrated. It ought to be seamless in terms of how you
7 work together. I must tell you, I get the impression
8 there's tension here, that is sort of like deal with the
9 Corps if you have to. And if you can avoid it, avoid it.

10 I don't think that's in the public's interest, and
11 I don't think it's fostering health, safety, and welfare.
12 The 408 permit is something that ought to be looked at as
13 a constructive review by the Corps of Engineers, because
14 if the idea is to put in a new setback levee, it's a new
15 levee. That's a good thing.

16 And it is modifying the flood works up there. And
17 of course, a 408 permit would apply. It also seems to me,
18 and I have said this before, it is a NEPA issue in
19 addition to a CEQA issue.

20 It is not constructive to the public to have to
21 dance around the maypole and be in a position where you
22 run down one path called CEQA, and then later on, you are
23 going to try to finesse your way into a 408 permit, and
24 say, "Well, NEPA here is really satisfied because we
25 already did CEQA."

1 I think the public is better served, as I've said
2 before, that there be a NEPA/CEQA review here with the
3 understanding that this is an integrated project. Phasing
4 it isn't going to get you beyond the environmental
5 impacts.

6 Phasing isn't going to do that. It may streamline
7 your ability to try to get your -- your project
8 constructed. But for my personal view, I don't see how
9 there can be Prop 1E funds or Prop 84 funds being devoted
10 to a project that hasn't been fully permitted by state and
11 federal, integrated with a 408 permit, as well as the
12 State Reclamation Board encroachment permits and what
13 other permits may be out there, whether they are 404 or
14 1600 or 1601 or whatever.

15 So the bottom line is, from my standpoint, I would
16 urge on the Board that they embrace your other colleagues
17 here. All are stakeholders in terms of these great public
18 works, that are billions of dollars in terms of health and
19 safety. And let's avoid dancing around maypoles. And I
20 appreciate your indulging my comments.

21 PRESIDENT CARTER: Thank you. Any questions for
22 Mr. Eres?

23 Very good. That's all the public comment I have.

24 What's the pleasure of the Board at this point?

25 MEMBER BURROUGHS: I just would like for the

1 record to also show that there were several letters
2 addressed to the Board in regards to 11A.

3 PRESIDENT CARTER: I didn't see those letters. I
4 saw letters that were addressed to the Board for Item 12,
5 but not for 11A.

6 MEMBER BURROUGHS: Okay. Yes. Okay.

7 PRESIDENT CARTER: So are we on track?

8 MEMBER BURROUGHS: Yeah. That's fine.

9 PRESIDENT CARTER: Okay. Very good.

10 MEMBER RIE: I would like to make a motion.

11 PRESIDENT CARTER: Please.

12 MEMBER RIE: Okay. For Application 18170, for the
13 purposes of modifying the federal project, which includes
14 the strengthening of the left east bank levee of the
15 Feather River, I move to delegate the authority to staff
16 to send, for this permit application, a letter to the
17 Corps, requesting a federal determination to modify the
18 federal project.

19 VICE PRESIDENT HODGKINS: I will second.

20 PRESIDENT CARTER: Okay. We have a motion and a
21 second.

22 Everyone understand the motion?

23 SECRETARY DOHERTY: Go over it one more time,
24 please. Sorry.

25 MEMBER RIE: I might not get it exactly correct.

1 For application 18170, that's Three Rivers
2 Improvement Authority, Yuba County, related to the
3 strengthening of the left east bank levee of the Feather
4 River, I would like to delegate to staff the authority to
5 prepare and send a letter to the Corps, requesting their
6 federal determination with regard to that application,
7 regarding the modification of the federal project.

8 PRESIDENT CARTER: We have a motion and a second.

9 Is there any discussion?

10 MEMBER BURROUGHS: Question for -- that would be
11 in sending this request. Does the Corps have all the
12 information it needs to respond to the letter?

13 PRESIDENT CARTER: Mr. Shapiro?

14 MR. SHAPIRO: Thank you, President Carter.

15 The Corps has issued a guidance memo, which
16 indicates which information is required, and that's
17 information required beyond what your staff and your
18 regulations require for your action.

19 And we have teams that have been working overtime,
20 and their deadline to complete it is this afternoon. So
21 that Monday, if we get the letter, we can submit it with
22 the letter.

23 So there is information required. It is being
24 prepared. It will be prepared, and it will be submitted
25 next week with the letter.

1 Thank you.

2 MEMBER BURROUGHS: I appreciate the hard work that
3 everyone has put into trying to expedite the process.

4 But I'm uncomfortable requesting a response when
5 we don't have, right now, as we're voting, in place, the
6 information is all complete to ask them to respond.

7 MEMBER RIE: This letter is simply a request to
8 the Corps to start their review process, if I could
9 oversimplify. So it's not requesting that they make a
10 decision or approve the request. It's a request to begin
11 the process of review.

12 PRESIDENT CARTER: My understanding is that the
13 Corps has to -- has to comply with NEPA, will be gathering
14 additional information, and the -- and this process takes
15 a long time.

16 So the rationale for doing it now is just to start
17 the process -- start the long, intensive process that will
18 undoubtedly last longer than our process, given that we
19 have done most of our work already.

20 MEMBER RIE: And the Corps has -- my
21 understanding, asked us to provide a written request to
22 begin the review process.

23 MR. SHAPIRO: I don't know if it helps for the
24 record, just to note that our preference would be not to
25 be so urgently before this Board.

1 We only found out that this was going to be an
2 issue one month ago, when the Corps said to this Board, in
3 regard to the SAFCA permit application, we will be doing
4 408 review. That is what has caused us to say, "Well,
5 that adds extra time to the process. We need to start
6 this process right away." That's why we don't need the
7 permit today, but we do need that 408 letter to start
8 today.

9 So normally, that packet, that you spoke of
10 Ms. Burroughs, that you don't have before you, wouldn't go
11 to the Reclamation Board even if it was completed already,
12 and exceeds your normal informational requirements.

13 Having said that, we are happy, when we submit it
14 to the Corps next week, to submit it to your staff, and
15 your staff will still have a chance to review it in
16 advance of you hearing the permit issue.

17 PRESIDENT CARTER: Okay. Any other questions?
18 Comments? Mr. Bradley?

19 CHIEF ENGINEER BRADLEY: Yeah. I would like to
20 make one clarification. The 408 request comes from the
21 Board as well as the submittal of the information.

22 Now, in the past, what's happened is that it's
23 been on fast track, both for the Bear River setback,
24 SAFCA, and they have been submitting information directly
25 to the Corps. But the request really comes from the

1 Board, and the submittal of all the information to support
2 that request also should come from the Board. So the
3 information would essentially come to the Board and then
4 go to the Corps. That would be the correct process.

5 Is that clear?

6 PRESIDENT CARTER: Yes.

7 GENERAL MANAGER PUNIA: We will make sure, when we
8 are sending the letter, that all the information is
9 attached to the letter, otherwise we won't approve the
10 letter.

11 PRESIDENT CARTER: Okay.

12 MEMBER RIE: And again, the motion was to delegate
13 the writing of the letter to the staff.

14 PRESIDENT CARTER: All right.

15 Any other questions? Comments?

16 All those in favor of the motion, please indicate
17 by saying "aye."

18 (Ayes.)

19 PRESIDENT CARTER: And opposed?

20 MEMBER BURROUGHS: Aye.

21 PRESIDENT CARTER: The motion carries.

22 Thank you very much.

23 We are now on to Item 12, Consider approval of a
24 letter requesting Section 104 credit from the U.S. Army
25 Corps of Engineers on behalf of Yuba County Water Agency

1 for the Feather River Levee Segment 2. This is the
2 setback levee work in Reclamation District 784.

3 MS. MULLIN: Good afternoon, President Carter and
4 Members of the Board.

5 My name is Erin Mullin and I'm the state project
6 manager for the Yuba River Basin Project. And I'm here to
7 introduce the 104 letter.

8 Yuba County Water Agency sent us a request to
9 forward a Section 104 letter to the Army Corps of
10 Engineers requesting credit for their advanced work on the
11 Feather River Setback Levee.

12 The Corps needs to approve this credit before
13 construction can begin. So that's part of the reason
14 we're trying to expedite this process.

15 104 credit is a wonderful opportunity for the
16 State to receive federal credit for work that is done in
17 advance of a federal project. And right now, I'd like to
18 introduce Larry Dacus, what's going to describe the
19 project.

20 MR. DACUS: Good afternoon, President Carter,
21 Members of the Board.

22 My name is Larry Dacus. I'm with MBK Engineers,
23 and I am representing Yuba County Water Agency, and not
24 Three Rivers Levee Improvement Authority. I want to make
25 that clear.

1 Yuba County Water Agency is asking the Reclamation
2 Board to address Section 104 credit from the Corps of
3 Engineers for design and construction of the proposed
4 setback levee.

5 This is one in a series of Section 104 credit
6 requests that have already been made. The Corps has
7 approved \$86 million in Section 104 request already made
8 by the Reclamation Board. Earlier this year, the
9 Reclamation Board approved a \$32.7 million request for
10 repairs of Sections 1 and 3 of the Feather River.

11 The current request is for \$154.3 million, which
12 would bring the total Section 104 credit request to
13 \$273 million.

14 Again, as Erin mentioned, the request is really to
15 ensure that local agency funds and Proposition 1E funds,
16 the State of California may invest in this project, would
17 receive credit for the non-federal share of future
18 improvements that maybe authorized by the Corps of
19 Engineers. So that's the main reason that we would like
20 to get this letter of request in.

21 To describe the setback levee portion for you this
22 afternoon, Mr. Paul Brunner, the executive director of
23 Three Rivers Levee Improvement Authority will give you an
24 overview of that project for you.

25 PRESIDENT CARTER: Thank you.

1 Mr. Brunner?

2 MR. BRUNNER: Good afternoon. I'm Paul Brunner,
3 the Three Rivers Levee Improvement Authority executive
4 director.

5 I do have a PowerPoint. I need to pull it up
6 here, just to show you.

7 PRESIDENT CARTER: I hope that laptop is faster
8 than on Item 11B.

9 MR. BRUNNER: Must be a smaller file.

10 (Thereupon an overhead presentation was
11 presented as follows.)

12 MR. BRUNNER: I do have copies of the briefing
13 that I can hand out for you too. I put this together last
14 night, so it was last-minute trying to do.

15 And I have one other handout that I will reference
16 at the end, at least for information. My last slide in my
17 presentation -- it's only like six slides long -- really,
18 will relay back to the subcommittee meetings that we have.
19 And one of the things that we took away, that may be of
20 interest here, is a map of where we have taken soil
21 borings in the past, along with the alignment that we
22 have.

23 My intention here is really not to go into depth.
24 I know, when we did our subcommittee meetings, we met
25 twice now. It was all focused on the setback, but quite a

1 bit of it was -- and we spent many hours. And I presume
2 we don't want to spend a lot of hours here this afternoon.

3 Just to give you a quick overview as to what we're
4 dealing with, particularly since this particular topic is
5 really just dealing with the Section 104 credit.

6 --o0o--

7 MR. BRUNNER: I thought it would be -- this is --
8 the recent events that would be significant for us to go
9 over -- as to what brought Three Rivers to pursue the
10 Segment 2 project, this is the middle portion of our -- of
11 the Feather River work that we have. It's about a
12 5.7-mile project that we're dealing with.

13 But in November of 2006, Proposition 84 and 1E
14 passed, very significant. Up until that time, the entire
15 13-mile reach of the Feather River was going to be
16 strengthen in place.

17 And when we took the opportunity at that time, our
18 alternative analysis and the work that we've been doing
19 was -- had always looked at the setback as a potential.
20 But funding seemed to be outside the scope for us to get
21 that.

22 We did -- at the time of the passage of these
23 bills, really looked hard at that, and then started to
24 pursue that with all gusto, because we believe that
25 Segment 2 meets all the criteria that DWR has laid out,

1 for the criteria of the project for what these funds are
2 being passed for. It has many multiple benefits, which
3 I'll share in a second.

4 In late 2006 and early 2007, Three Rivers did seek
5 and talk extensively with DWR about the potential of the
6 project. No commitments of funding were given from Prop
7 1E or 84. But I think there's a sense of excitement about
8 the project, about what it can accomplish for the overall
9 flood basin.

10 In 2007, we have talked to other partners in the
11 area that are listed here: Sutter County, Levee District
12 1, Friends of the River Environmental Group, Sierra Club,
13 YCWA, SAFCA. All have endorsed our project as being a
14 very viable project and needed to be pursued.

15 And then in 6 February 2007, after, really, a
16 large amount of due diligence of the project, Three
17 Rivers, my Board, based upon our recommendation, certified
18 the EIR and chose the alternative, to go with Segment 2,
19 the setback, as the alternative.

20 For staff-wise and for the rest of the folks
21 working on this, that really has elevated, in my
22 terminology, the "pucker factor," because we have to move
23 very quickly to meet the obligation to you all by 2008.

24 I will show you, in a second, a schedule of how
25 we're attempting to do that. But we think the project has

1 so many benefits for this region that we will pursue this
2 project, not only for the region, but also for Yuba
3 County.

4 I mentioned earlier in my report to you that on 1
5 May 2007, we will be submitting our application for Prop
6 1E funds, and hopefully that will be received favorably.

7 --o0o--

8 MR. BRUNNER: The benefits of the project are
9 listed here. I could go at great length of this, but I'm
10 not going to.

11 We believe that it does offer superior flood
12 protection for South Yuba County. It's going to be built
13 to the current engineering standards. This is the setback
14 portion of the project. It's built with suitable soils.

15 One of the things that doesn't get talked about a
16 lot, because it raises kind of an uneasy feeling. But the
17 current Feather River levee is built with really sandy
18 soil, not really suitable soil.

19 Could we repair that levee? Yes. But it's not the
20 best repair -- not the best solution, particularly if you
21 have the money to build a better levee with all the
22 benefits that the setback has.

23 Also, on the setback in this area, where we're
24 going to setback the levee itself, the Feather River
25 constricts. It chokes down and causes erosion sites and

1 causes a hydraulic shift in the area that this will fix.

2 It widens the channel, allows the water to flow freer.

3 It also has regional flood protection benefits for
4 South Yuba County and surrounding communities. The
5 widening of the floodway really does help out our
6 neighbors in Marysville and Yuba City.

7 We were able to demonstrate, or show, in the
8 subcommittee meetings, that this one-and-a-half-foot stage
9 level reduction for Marysville and Yuba City would occur.

10 And we believe that there's no downstream impacts
11 due to the regulated flows from the dams, upstream. And I
12 know that that's still being discussed back and forth, but
13 our engineering analysis would show that. Plus, there's a
14 capability of having up to -- a little less than
15 1600 acres for habitat restoration if we chose to do that.

16 --o0o--

17 MR. BRUNNER: This is the schedule that we have
18 for the project. The -- I'm going to focus in on the
19 Feather Phase 4, Segment 2.

20 We have already completed the blue bar, which is
21 the alternative analysis that we based our decision on.
22 We have been involved in design and engineering that's
23 currently underway.

24 The permitting is also underway, with the various
25 permits that we have.

1 Land acquisition is under way. In fact, the map
2 that I handed out to you is a map that shows parcels of
3 the setback. The color scheme that you see there, on the
4 setback levee, would show the three phases of land
5 acquisition that we have for the foundation.

6 We are going to start with the north, acquire
7 property, start building the foundation, move the middle,
8 acquiring the property, build the foundation as we keep on
9 moving through on the project.

10 The sequencing that we have is predicated upon a
11 very aggressive schedule to complete by 2008, which is our
12 commitment to you all, to the Rec Board, to do that.

13 We plan on starting construction in September of
14 this year and completing by the end of 2008, and that's
15 that green bar. For us to start construction, we will
16 need Prop 1E funds and our application to go through, to
17 complete on this schedule.

18 We have also asked the State for advanced early
19 funding. That will be part of our application process
20 with DWR and for Prop 1E to get advanced funding to do
21 land acquisition during the summertime that would advance
22 in front of the actual construction of the work.

23 So we're really marrying the real estate offices
24 with the construction, the design team, all linked
25 together, to try to make this project go through.

1 I think Butch Hodgkins was mentioning about it
2 earlier, a very aggressive schedule, a perfect schedule.
3 I don't know if it needs to be a perfect schedule, but it
4 needs to be very close to meet the schedule that we have.

5 Our goal is to have all the flood control
6 facilities built, segments 1, 2, and 3, by the end of
7 2008.

8 And we would then address the -- tear down a
9 portion of the old levee that we're replacing by the
10 setback in 2009.

11 --o0o--

12 MR. BRUNNER: This is the schedule of the
13 subcommittee. And this is my last slide.

14 I thought it would be important to show this for
15 the overview, in that we have met again on the 26th of
16 February. We met again on the 22nd of March.

17 And then when we left after that long day in
18 Marysville, on the 22nd of March, we did have a
19 discussion -- and I went back and read through the
20 transcripts to make sure I heard right -- about coming
21 back in a few months and talking about real estate, about
22 land acquisition where we were, alignment.

23 The comment had come up about alignment. Earlier
24 this week, I spent a full day looking at the alignment
25 question. I went to the field with my design team, GEI --

1 members of them are actually here today too -- to look at
2 the alignment, to see what could we do, and to start that
3 dialogue in a few months to discuss with you.

4 What I actually concluded by going through that,
5 is that our folks have done a really good job on the
6 alignment, looking at the hydraulic widths, looking at the
7 foundation of the soils we're trying to maintain to anchor
8 the levee into.

9 And I conclude, myself, at this point, that we've
10 already adjusted. One resident had come and talked to us
11 about that before, earlier on, and we already made some
12 adjustments earlier on, in the design.

13 There's -- when we have the alignment discussion
14 in a few months, that's when we're getting into a longer
15 time period. You will be able to see the banks, the
16 geology, and what we have. One could actually sit down
17 and go through that with you. If you wanted to do it
18 earlier, we could do it earlier on it, and to explain to
19 you what we're doing.

20 So with that, I'm going to conclude and open it up
21 for discussion.

22 We are into real estate activities. I think we
23 had talked about earlier, on Segments 1 and 3. You had
24 asked that question on that. And we have stepped down on
25 that. We have taken a couple resolution of necessities

1 for Segment 3, which is the last action on the property.
2 That's where we are going to be in the field this summer,
3 moving forward.

4 We have not taken any resolution of necessities on
5 this particular Segment 2. We are discussing with
6 landowners about property value. And we had met with
7 people in the northerly section, appraisals and worked
8 with them on it. And we most likely will be offering to
9 them soon.

10 Bob Morrison, my real estate person, is here also
11 today. Depending on how far and what we can speak about
12 during the session, he'll be able to talk to you.

13 But we're here to really respond to your needs.
14 So with that, I will stop.

15 Thank you.

16 PRESIDENT CARTER: Any questions for Ms. Mullin or
17 Mr. Brunner?

18 SECRETARY DOHERTY: By virtue of across the river,
19 at Shanghai Bend, is that what you are referring to as
20 Star Bend?

21 PRESIDENT CARTER: Two different --

22 MR. BRUNNER: Star Bend is actually farther down.

23 SECRETARY DOHERTY: All right. And when they --

24 MR. BRUNNER: Star Bend is where the river bend
25 is.

1 SECRETARY DOHERTY: By virtue of the fact that
2 they are straightening that out, does that not alleviate
3 pressure on that entire stretch of the river?

4 MR. BRUNNER: You are talking about the Sutter
5 project?

6 SECRETARY DOHERTY: Yes. No, I'm talking at the
7 Three Rivers project, and where the river is located, and
8 your feeling the necessity for setback as opposed to
9 repairing in place.

10 MR. BRUNNER: Well, the -- it does help. But the
11 entire floodway from about Shanghai down to Star Bend is
12 constricted. And it's not on very good soil itself. And
13 underseepage problems are occurring, and there is a need
14 to actually widen the channel and anchor it on good soil
15 for that reach.

16 SECRETARY DOHERTY: But there was a statement that
17 this could be done in place.

18 MS. MULLIN: I believe this somewhat addresses
19 your question. I think it's important to understand that
20 the Section 104 request is really concerning the federal
21 action.

22 The only way that the State or that Yuba County
23 Water Agency would receive credit for our advanced work is
24 if the federal involvement decides it becomes part of
25 their approved project.

1 One of the reasons that the federal government is
2 looking at a setback levee is for ecosystem restoration.
3 It is one of the primary purposes that they're looking at
4 a setback levee along this reach.

5 So ultimately, the 104 request would -- is because
6 we're requesting to line up with the federal government.
7 So it's in the -- even though the hydraulic benefits are
8 definitely there, we're also looking at the potential for
9 ecosystem restoration, which we would not get from the
10 fix-in-place levee.

11 PRESIDENT CARTER: Any other questions for
12 Ms. Mullin or Mr. Brunner or Mr. Dacus?

13 Steve?

14 CHIEF ENGINEER BRADLEY: Steve Bradley, chief
15 engineer.

16 Paul, I just had a question. Although
17 construction of most of the setback levee doesn't require
18 a Rec Board permit, tying into the existing levees does.
19 Do you know when you will be submitting an application for
20 your permit?

21 MR. BRUNNER: It's sometime next year.

22 Larry, do you have --

23 CHIEF ENGINEER BRADLEY: It's just not on the
24 schedule, and I was just kind of curious.

25 MR. DACUS: Larry Dacus. I'm also the design

1 manager for Three Rivers Levee Improvement Authority.

2 We are preparing that application now. And it is
3 our -- and in fact, we met with the Reclamation Board
4 staff to talk about the application process for the
5 setback levee. Because we will -- we will be doing this
6 in stages. We will be doing our tie-ins and foundation
7 work and then constructing the embankment.

8 So we do -- I believe we're on schedule to submit
9 the application in about three weeks.

10 VICE PRESIDENT HODGKINS: He was talking about the
11 408.

12 MR. DACUS: I'm sorry.

13 CHIEF ENGINEER BRADLEY: No, I was not. I was
14 talking about the Rec Board encroachment application. And
15 all you need that for is for the tie-ins?

16 MR. DACUS: That's correct. So we're preparing
17 the encroachment application now. And like I said, our
18 scheduled project is due in about three weeks.

19 CHIEF ENGINEER BRADLEY: Thank you.

20 PRESIDENT CARTER: Any other questions?

21 Mr. Eres, you wanted to address the Board on this
22 item?

23 MR. ERES: Thank you, Mr. President.

24 I think maybe part of my answer -- I got a little
25 bit of an answer here, from Erin, is, I understand, it's

1 the Yuba County Water Agency that is asking you for this
2 letter. They are not part of Three Rivers. They are not
3 part of the Joint Power Authority. They were offered that
4 opportunity early on and declined.

5 So it was a little unclear to me why Yuba County
6 Water Agency would be before this Board, asking for this
7 credit, if you will, against, I guess, an application that
8 they have that's on the federal side. But we're dealing
9 with -- if you read the letter in the backup material
10 almost as if you are approving a principle, a project on a
11 permit that you haven't acted on yet. And so it looks to
12 me like the cart is so far ahead of horse, I'm not sure if
13 you can define the horse.

14 So my suggestion to you -- this is not timely, at
15 this time, for this letter. It will have to be postponed
16 until you have taken the actions necessary. You just
17 decided to send a letter over to the Corps of Engineers
18 for a 408 permit. Should we make sure that we got the i's
19 dotted and the t's crossed first?

20 I'm hearing for the first time, and it could be
21 just me, that the primary purpose of this letter is to get
22 in front of the federal government that a primary purpose
23 of this is restoration of an ecosystem. That's news to
24 me. I thought we were putting a flood control project
25 together, and any eco benefits, if there are any, is sort

1 of an after -- I don't want to say an afterthought.

2 So I guess my concern is, I think we've got a long
3 way to go before you start asking for credits with respect
4 to this kind of a 104 request.

5 And I would indicate that you better believe
6 there's still issues out here, not only on the hydrology,
7 but the hydraulics of this entire plan that incorporates
8 this setback levee in conjunction with your later-on
9 agenda item that will deal with Sutter and what they want
10 to do with respect to their levee improvements.

11 So thank you very much.

12 PRESIDENT CARTER: Okay. Any questions for
13 Mr. Eres?

14 MS. MULLIN: Scott Shapiro would like to address
15 the Board.

16 PRESIDENT CARTER: Mr. Shapiro?

17 MR. SHAPIRO: Thank you, President Carter.

18 I just wanted to clarify. I think the Board
19 probably is familiar with this, because you have handled
20 104 request letters before. In fact, you handled ours for
21 Segments 1 and 3 previously. But just an important
22 clarification with what Mr. Eres offers, the Section 104
23 request has to go in before the project is started.

24 So if we wait until you issue a permit and we're
25 ready to start work, then the State can't get the credit.

1 Just as a reiteration of what you already heard, this
2 letter is actually for the benefit of the state. Through
3 it, the Corps agrees to give the State credit for any
4 monies we spend. But the Corps need to process the letter
5 before the project is started.

6 And Three Rivers is here to brief it, because
7 we're constructing it. But Yuba County Water Agency, as
8 we stated, is the non- -- the nonfederal local sponsor
9 that's partnering with the Rec Board on this action.

10 PRESIDENT CARTER: Mr. Punia?

11 GENERAL MANAGER PUNIA: I may make a little
12 clarification so the Board members understand.

13 There's a Yuba River Basin Project going on, in
14 which the Yuba County Water Agency and the State are the
15 nonfederal sponsor, so that's the project which will get
16 the federal authorization.

17 And this project is -- this is being designed. It
18 will be part of that Yuba Basin Project. And once the
19 federal government approves that project, then we will get
20 the credit, the State and the locals.

21 So it is critical that this letter is sent to the
22 Corps in time, before we do the construction, so that it
23 can be part of that Yuba -- once that project is approved,
24 it's part of that project and we can get the credit.

25 MS. MULLIN: I would like to address something

1 else that Mr. Eres brought up. This letter is -- pertains
2 to the Yuba River Basin Project, which is kind of a sister
3 to the efforts of Three River -- Three Rivers.

4 The letter that we are sending is going towards
5 the Yuba River Basin Project. It is under the authority
6 of the Yuba River Basin Project that we are requesting the
7 104 credit.

8 The authorized project for the -- that the federal
9 project comes up with, for the Yuba River Basin Project is
10 the lens in which our credit would be looked at.

11 The project that they are looking at is a
12 multipurpose project. They are looking at flood control
13 as well as ecosystem restoration. And a setback levee is
14 part of their multipurpose project. And that is -- that
15 is the vehicle under which we are requesting this 104
16 credit.

17 SECRETARY DOHERTY: I'm --

18 PRESIDENT CARTER: I'm sorry. When you say
19 "they," their project, who are you speaking of?

20 MS. MULLIN: I'm talking about the Corps, the
21 federal government's project. When they finally come to a
22 decision about what they are going to recommend to
23 Congress, and Congress authorizes that project, they are
24 going to look at the project that is already on the ground
25 that we have requested 104 credit for, compare it to the

1 project that they have authorized Congress. And they will
2 figure out what is compatible. And the compatible parts
3 are the parts that will be considered for 104 credit.

4 PRESIDENT CARTER: Just so I understand, though.
5 If the Board chooses to send this letter, asking for the
6 federal credit, under Section 104, it essentially is
7 saying that it conceptually approves of the project.

8 MS. MULLIN: I don't believe that to be the case.

9 What it is saying that if this project -- when the
10 federal project is built, if there are aspects of it that
11 mirror what Yuba County Water Agency has built, that we
12 will be eligible for credit for those portions. It's not
13 a Board action. We're not asking you to authorize the
14 CEQA document.

15 PRESIDENT CARTER: No. But essentially, it sends
16 a message that says the Board supports the project.

17 MS. MULLIN: It says that we support 104 credit
18 for the efforts.

19 SECRETARY DOHERTY: Today, I'm really dense.

20 Now we've got Three Rivers. Now we've got the
21 Yuba Basin. Now what's the difference between the two?
22 Are you on the other side of the river? What side of the
23 river are we on now?

24 MS. MULLIN: We're on the east side of the Feather
25 River. Yuba County Water Agency is the agency with which

1 DWR and the Reclamation Board has a contact with. And
2 this is the vehicle that we are going through the Yuba
3 River Basin Project. So Yuba County Water Agency is our
4 local partner that we are working on this project with.

5 SECRETARY DOHERTY: So you supply drinking water,
6 whereas 874 provides irrigation water?

7 MS. MULLIN: Go ahead.

8 MR. SHAPIRO: I apologize for jumping in. This
9 was confusing to me too, so maybe I can explain it. We've
10 said all along, on Three Rivers' part, that we are out,
11 trying to beat what would be a federal project.

12 It would take ten to twenty years, we said, for
13 the federal government to construct something. That
14 10-to-20-year project that the federal government would
15 construct is the Yuba River Basin Project.

16 It is a federally authorized project that the
17 Corps could come in and construct. It was authorized by
18 the federal government and Congress, and it was authorized
19 as a 28-approximately million dollar project.

20 As you know, we've since found out that this area
21 needs more than \$28 million worth of work. The Corps is
22 in the process of what's known as a GRR, a General
23 Reevaluation Report, where the Corps goes back and says,
24 the new project that's necessary, does it have a federal
25 interest? That report is a year or so away from being

1 done, we're told.

2 When it is approved, Congress can say, "We approve
3 the whole shebang." The whole shebang is 784's work that
4 Three Rivers is doing and the levees around the City of
5 Marysville. Okay?

6 In the interim, Three Rivers has come in and said,
7 "We, using largely developer dollars, think we can fix the
8 levees around 784 faster. And we're going ahead and doing
9 it."

10 And so what we're saying here is, if the project
11 that Three Rivers eventually builds, if the Rec Board
12 grants us the permit to do the setback levee, if that
13 project is built and later Congress approves the GRR, the
14 General Reevaluation Report, should the local agency, the
15 nonfederal agency, the State of California in particular,
16 get financial credit for the money that was already put
17 in?

18 The reason that's relevant is, when Marysville
19 comes up, the State has to put in the 30 percent
20 nonfederal share. And then the locals have to provide a
21 portion of that.

22 Well, if we have enough 1014 credit, then we don't
23 have to put in and Marysville is fixed on the federal
24 dime. So this is all about the State and Yuba County
25 Water Agency getting the financial benefit of Three

1 Rivers' s work, so that when the eventual federal project
2 is approved, as whatever scope it is, the local share
3 potentially has already been provided.

4 Is that clear?

5 SECRETARY DOHERTY: I got you.

6 MR. SHAPIRO: Thank you.

7 SECRETARY DOHERTY: Thank you, Scott.

8 PRESIDENT CARTER: Any other questions, comments?

9 I have a comment. And I know those of you who
10 were at the last subcommittee meeting know, I have a
11 problem with the way Three Rivers is approaching the land
12 acquisition. And I am not sure I support the project
13 because of that.

14 And I am not currently in favor of sending this
15 letter until I know more about what happens, specifically,
16 with the land acquisition of the project.

17 It is -- we received, as Rose Marie Burroughs
18 mentioned, a number of letters from people, land owners,
19 who have been approached by Three Rivers regarding land
20 acquisitions. These are not favorable letters.

21 I think that the fact that Three Rivers and all of
22 the folks who have endorsed this project and saying it's a
23 good project, from flood control ecosystem restoration and
24 regional benefits, all need to recognize that that is true
25 and that provides value to the system, and that value

1 needs to be passed on to the people who will suffer as a
2 result of these land acquisitions if Three Rivers proceeds
3 with the approach that they are using today, and what I
4 heard from Mr. Morrison and Mr. Brunner.

5 So I can't support sending the letter today. I
6 would like to wait and see what happens with land
7 acquisition before we do that.

8 MS. MULLIN: If I could just say one more thing,
9 President Carter.

10 If and when the Board does approve the setback
11 levee and the Three Rivers -- or in this case Yuba County
12 Water Agency, Three Rivers, goes ahead and begins with
13 their plans to construct the setback levee, we need to
14 have this Section 104 credit approved at the Corps
15 headquarters in Washington, in order to be eligible for
16 the credit.

17 So that's one of the reasons why it would be
18 advantageous to send this letter out now. The corps
19 process review, specifically with 104 credit, is getting
20 longer and longer.

21 So it would behoove us to send it in advance, and
22 while you are deliberating over the issues on this
23 project.

24 And if you choose not to adopt the project at a
25 later date, it doesn't affect -- it doesn't affect our

1 request. But a delay in requesting the 104 credit could
2 delay the project when it is adopted.

3 PRESIDENT CARTER: Thank you.

4 SECRETARY DOHERTY: So the 104 request goes in,
5 the money would be appropriated to you. We subsequently
6 turn down the setback levee. So what happens to the
7 money? Does it stay back in Washington? Does it come out
8 and go to the rest of the County? What happens?

9 MS. MULLIN: Approval of Section 104 credit simply
10 means that the federal government will consider giving the
11 State credit once the project is authorized.

12 SECRETARY DOHERTY: And if it's never authorized,
13 then what?

14 MS. MULLIN: If it never gets authorized, then
15 it's just -- it's just there. It's just dead.

16 MEMBER RIE: I have a question. What if it turns
17 out that the levee gets raised as opposed to being set
18 back? Will the state still get credit?

19 MS. MULLIN: Not for that portion of the levee, as
20 far as I understand. We will only get credit for what is
21 compatible or what is part of the federal project. And if
22 the federal project chooses to do a fix-in-place, we would
23 not credit for the setback levee. That's always a risk
24 that you undertake when you do advanced work.

25 MEMBER RIE: What if Three Rivers raises the levee

1 in place and the ultimate federal project that gets
2 authorized is a raise-in-place levee?

3 MS. MULLIN: Then they would get credit for the
4 raise-in-place levee.

5 But alternatively, if Three Rivers chose a
6 fix-in-place alternative and the federal government
7 decided to go with the setback levee, then the levee that
8 Three Rivers raised and fixed in place would get torn down
9 and used to build a setback levee.

10 PRESIDENT CARTER: Mr. Punia?

11 GENERAL MANAGER PUNIA: I just wanted to make a
12 clarification that sending this letter is not committing
13 the Board to the setback levee. The board will have an
14 opportunity when that permit comes before the Board.

15 This is just sending a question that if the
16 federal action is -- the federal project is a setback
17 levee, we are there to get the credit.

18 PRESIDENT CARTER: Okay. Thank you.

19 Mr. Bradley?

20 CHIEF ENGINEER BRADLEY: Yes. I would like to
21 remind the Board that what we're talking about is state
22 bond money being used to fund this. That is the reason
23 the state is being reimbursed -- not reimbursed, but for
24 getting credit on use for other flood control projects, so
25 it is in the State's interest to send this letter.

1 PRESIDENT CARTER: Mr. Mayer, did you want to
2 address the Board?

3 MR. MAYER: Thank you, President Carter. Rod
4 Mayer, chief of the Division of Flood Management.

5 I just wanted to add, I've heard a lot of comments
6 in the last few minutes that I completely agree with.
7 They are the same things I would want to say. This is our
8 opportunity to maximize federal funding for investment in
9 the Central Valley Flood Control System. And it's an
10 obligation, really, under Proposition 1E that we are to
11 maximize federal and local-cost share funds.

12 So by sending this letter, we're setting ourselves
13 up to capture the credit that can be used later on by the
14 federal government, to make further repairs and
15 improvements in the system. So it's important to do it in
16 a timeframe that allows the federal government to go
17 through its process so that they can review the
18 application and approve it before the construction starts.

19 Any construction that's done prior to that point,
20 there's no opportunity for credit. So timing is very
21 important. There's no commitment whatsoever, in any view,
22 at least, on behalf of DWR or the Board for this project.
23 It's too early for that. They don't even have an
24 application, at this point, to DWR for funding, that we're
25 talking about getting credit for. That's a little bit

1 further down the road.

2 But we need to do this in order to have time for
3 the Corps to do its thing, in order to give us the credit.
4 Are there any questions?

5 PRESIDENT CARTER: Thank you.

6 I have one question. On this schedule that was
7 presented by Mr. Brunner here, it says that land
8 acquisition is supposed to end in May, approximately
9 middle of May, it looks like.

10 So what is the downside of waiting a month to find
11 out what happens with land acquisition before we send out
12 this letter? How much time do we really lose in the
13 federal process?

14 MR. MAYER: It's hard to say, because the federal
15 process is out of our control. We do know it takes time,
16 based upon experience, in prior Section 104 applications.

17 And our sense is, it even takes longer than
18 before. So it's just a matter of what are we willing to
19 risk in terms of potentially losing federal credit.

20 SECRETARY DOHERTY: So the 104 funds could be used
21 not necessarily there, but they could be used somewhere
22 else in the state; is that right?

23 MR. MAYER: Well, that's a good question. They
24 could only be used under federal law at this point on the
25 Yuba River Basin Project. The Yuba River Basin Project

1 has a feature, which is the Marysville improvements, and
2 that is the current plan to make the investment.

3 Meanwhile, though, we recognize that limiting
4 credit to a specific project really isn't in the best
5 interest of the State, but we have \$5 billion in bond
6 funds. And we're going to be going ahead of the federal
7 government in lots of areas. And you will be seeing lots
8 of Section 104 applications in the future.

9 So we're working with Senator Feinstein and
10 congressional delegation on changing federal law to
11 provide much broader credit, that we could provide --
12 receive credit and apply it throughout the region rather
13 than just on a specific project.

14 SECRETARY DOHERTY: Thank you.

15 PRESIDENT CARTER: I want to correct a statement I
16 just made. I was looking at the wrong land acquisition
17 step on this. That was for Segments 1 and 3. Segment 2,
18 which is the setback, land acquisition is scheduled to end
19 sometime in January of 2008. I was -- I misspoke.

20 MR. MAYER: That sounded kind of early to me, but
21 I didn't know.

22 MEMBER RIE: I have a question before you leave.

23 If Congress authorizes the Yuba River Basin
24 Project, which includes the setback levee, and our Board
25 doesn't give Three Rivers a permit to construct a setback

1 levee, wouldn't the Corps come in and condemn that land
2 and build the setback levee anyway, if they have the
3 funding and the authorization to do it?

4 MR. MAYER: That -- I think that's the way it
5 would play out if we were all willing to sit around, five
6 or ten years for the Corps to build their project, which I
7 don't think is the most likely scenario.

8 So what's more likely to happen in my view is that
9 if for some reason the Board can't approve the setback
10 levee project, then a more likely scenario is a
11 fix-in-place project, that does get approved, and then
12 went back with a different Section 104 application to the
13 Corps for a fix-in-place project, so we captured credit
14 for that.

15 That's the way I think it would play out.

16 VICE PRESIDENT HODGKINS: I mean, Rod, if the
17 levee were fixed in place, the setback would never happen,
18 would it, because there's no benefits for it?

19 MR. MAYER: Well, it would be much harder to
20 justify it down the road. So it's more likely that the
21 Yuba River Basin Project would ultimately not have a
22 setback levee feature to it. It would be a
23 fix-in-place-type project, and we would try to capture the
24 credit for that.

25 VICE PRESIDENT HODGKINS: But there are other

1 ramifications as well, because if we did not do the
2 setback and then there were subsequent projects, where it
3 could be shown that the subsequent projects would have
4 reduced cost if the setback levee were built, then the
5 Corps could, in effect, say, "By not doing the cost
6 effective project, we're not going to fund the cost of the
7 other project."

8 MR. MAYER: That's quite possible, as well as
9 there's the issue of the overall benefit-cost ratio for
10 the Yuba River Basin Project, which has been very
11 marginal. And the setback levee feature of it actually
12 significantly helps that benefit-cost ratio because it has
13 inconsistent benefits.

14 So as a result, the setback levee project makes
15 the ultimate Yuba River Basin Project a more likely
16 federal project in the future.

17 PRESIDENT CARTER: What's the pleasure of the
18 Board?

19 MEMBER RIE: I would like to make a motion. I
20 move that we send the letter.

21 PRESIDENT CARTER: Okay. There's a motion to send
22 the letter requesting Section 104 credit from the federal
23 government for the Feather River Segment 2 levee setback
24 work in Reclamation District 784.

25 Is there a second?

1 SECRETARY DOHERTY: I thought -- now maybe I
2 misunderstood -- that we are simply sending a letter to
3 request credit, not necessarily for the setback, that it
4 could be used for whatever needed done within that region.

5 Now, is that right or am I missing something?

6 MS. MULLIN: No, this letter is specifically for
7 credit associated with construction of the setback levee.

8 PRESIDENT CARTER: Okay. Is there a second?

9 We have a motion on the table.

10 VICE PRESIDENT HODGKINS: I will second.

11 PRESIDENT CARTER: Okay. We have a motion and a
12 second.

13 Is there any other discussion?

14 Mr. Punia, would you call the roll, please?

15 GENERAL MANAGER PUNIA: Vice President Butch
16 Hodgkins?

17 VICE PRESIDENT HODGKINS: Yes.

18 GENERAL MANAGER PUNIA: Board Member Teri Rie?

19 MEMBER RIE: Yes.

20 GENERAL MANAGER PUNIA: Board Member Lady Bug?

21 SECRETARY DOHERTY: No.

22 GENERAL MANAGER PUNIA: Board Member Rose Marie
23 Burroughs?

24 MEMBER BURROUGHS: No.

25 GENERAL MANAGER PUNIA: President Carter.

1 PRESIDENT CARTER: No.

2 So the motion fails.

3 MS. MULLIN: Thank you.

4 PRESIDENT CARTER: Thank you very much.

5 Now we are -- we are on to Item 13, the Hamilton
6 City Project.

7 Mr. Lee?

8 MR. LEE: Good afternoon, Mr. President and
9 Members of the Board, and Mr. Punia.

10 My name is Larry Lee. I'm from the Project
11 Development Branch. I'm project manager of the Hamilton
12 City Flood Reduction and Ecosystem Restoration Project for
13 the State.

14 And today, I have Mr. David van Rijn from the
15 Corps of Engineers, Sacramento District; and Mr. Bill
16 Paris, also Leanne Jose-Puente here from RD 2140, which is
17 the local for Hamilton City, to help provide information
18 on the project.

19 And I believe you had a -- a copy of the
20 presentation given to you. But Mr. -- Dave, do you have
21 the -- is it on here?

22 So I'm going to give the stand to Mr. David van
23 Rijn to present a status of the Hamilton City Project.

24 (Thereupon an overhead presentation was
25 presented as follows.)

1 MR. VAN RIJN: Good afternoon, Board. My name is
2 Dave van Rijn. I work with the Army Corps of Engineers.
3 I'm the project manager for the Hamilton City Project.

4 And today, what I would like to do is just give
5 you a quick update on the project and status and where
6 we're currently at.

7 --o0o--

8 MR. VAN RIJN: The Hamilton City Project is a
9 multipurpose project for its ecosystem restoration and
10 flood damage reduction. The project is actually to remove
11 an existing levee that has no maintenance to it, or little
12 maintenance to it in certain areas. It offers very
13 minimal protection to the residents of Hamilton City.

14 The setback levee will be 6.8 miles. It will
15 create 1,500 acres of ecosystem restoration.

16 This project is really unique to the Corps of
17 Engineers for a couple of reasons. This is the first
18 project that the Corps of Engineers has gone through its
19 multipurpose project authorization and language through
20 our Congress and through our headquarters. It gets a lot
21 of publicity, a lot of attention, from our headquarters
22 and our districts. They've watched this project go
23 through its feasibility phase and its EED phase and
24 construction.

25 It's also very unique to the Corps of Engineers

1 too, because it's not a concept that the Corps of
2 Engineers came up with. It was actually the locals that
3 came up with the proposed levee design. They actually
4 worked it out with the local stakeholders, the community,
5 and they came up with the proposed alignment of this
6 levee, and they brought it to the Corps of Engineers,
7 "Hey, we want you to look at this one." So it's really
8 unique to the Corps in a lot of different aspects.

9 --oOo--

10 MR. VAN RIJN: Currently, this project is in a
11 pre-construction engineering and design phase. It's
12 already completed its feasibility. It's already gone
13 through its GRR. We've had -- our chief report was
14 completed back in December of -- I'm sorry, it was back in
15 2005.

16 In December of 2005, we actually signed our
17 preconstruction engineering and design cost-share
18 agreement with the Rec Board to go into design work.

19 So we've just been in design now for about a year
20 and three months. And in that time, we've already
21 completed all our surveying work, our geotechnical work,
22 our soil samplings for our ecosystem restoration, and we
23 started our design work.

24 We started coordinating with the Department of
25 Transportation on how we're going to tie into Highway 32.

1 We've worked with the State Parks on how we're going to
2 impact their restrooms and their pump house and how we're
3 going to relocate those. So we're making a lot of
4 progress in the past year and a half on this project. And
5 one of the things I would like to say is that all of that
6 has to go to the Rec Board themselves.

7 In the summer of 2006, we actually signed a
8 requested amendment from the Board to accelerate their
9 share of the design phase costs. And as you guys probably
10 know, Congress did not pass an energy waters appropriation
11 bill this year, and we've been under, federally, what's
12 called a continuing resolution authority.

13 And that language, the way it was written, they
14 sort of use these broad languages of how we can actually
15 spend federal dollars doing this continuing resolution
16 authority. And the way it was worded provided no federal
17 dollars whatsoever to the Hamilton City project during its
18 continued resolution authority, which lasted up until
19 about two weeks ago.

20 So this advancement of this acceleration of the
21 State funds and the nonfederal funds have really helped
22 out this project immensely, to keep moving forward and to
23 get through to the point where we're at. Without that
24 acceleration of funds from the Rec Board, the project
25 would have been stopped in the past sixth months, waiting

1 for something to come from Congress.

2 So I would really like to thank the Rec Board for
3 keeping the project moving and doing the acceleration of
4 funds of this project. It's been extremely beneficial to
5 this project, keeping team members on board and keeping
6 momentum going.

7 So with that, we have our federal funds now. We
8 got \$621,000 for fiscal year, FY07, from the federal side.
9 So since we're out of balance between spending federal and
10 nonfederal dollars, we're switching all our expenditures
11 over the federal dollars to save as much of the nonfederal
12 dollars as much as possible and, trying to get back into
13 balance.

14 So right now, we are currently in the PED phase,
15 and we will have about another year and three or four
16 months till we're finished with the PED phase.

17 And as it stands right now, our 35 percent design
18 for PED will be completed in October of this year.

19 Then we'll have our 60 percent design finished
20 somewhere around December or January.

21 And then come June, July, we'll have our hundred
22 percent plans inspected for construction of the project.

23 And then we'll start construction of the project
24 in 2009.

25 There are a couple of hurdles that we need to go

1 through in order to get to construction. We still need
2 authorization from Congress for construction. As you guys
3 know, WRDA hasn't been passed in, what, six years now?
4 But the House just got done approving the WRDA language, I
5 think, yesterday on the floor. And then it's going to go
6 to the House for their approval, and then it will go to
7 the Committee for approval.

8 Hamilton City, in the past three years had been in
9 both the House and Senate version of WRDA. So all we're
10 doing is really just waiting for WRDA to happen and
11 Hamilton City will be good to go.

12 After WRDA is passed, we will then go and sign a
13 project cooperation agreement for -- with the local
14 sponsors to go into construction. And then we just need
15 construction funds from the federal government to actually
16 do the construction of the project.

17 So that's where we are overall, as far as the
18 status of the project goes.

19 --o0o--

20 MR. VAN RIJN: And I just want to throw this slide
21 up, just to give a quick economic breakdown of how this
22 project is being funded and where it all goes to.

23 The project is divided into flood damage reduction
24 and ecosystem restoration costs.

25 The first part of the design costs are included in

1 the table, right below it, under construction costs. So
2 the total construction of this project is 50 --
3 \$50.6 million. Of that, the \$3.3 million is actually
4 design work.

5 So from the local cost-share perspective, for the
6 total construction of this project, we really need just
7 about \$2 million of nonfederal funds to actually complete
8 this project and do this project. The rest of these funds
9 for this project are federal dollars or land costs.

10 So from the design phase, of that \$2 million,
11 \$840,000 of that will already be contributed from the Rec
12 Board for design purposes. So the remaining balance is
13 about \$1.2 million when we get into construction of this
14 project.

15 So with that, I don't have too much more to say.
16 It is really, like I said, an important project in the
17 Corps' eyes. It offers lots of benefits to the locals of
18 Hamilton City, has great ecosystem restoration benefits.
19 It's just a win-win situation for everyone. So the Corps
20 is really in support of this project. And we look forward
21 to working with the Rec Board in the future on this
22 project, as we move through design and into construction.

23 So with that, I'm going to turn it over -- unless
24 you have any questions, I will turn it over to Bill for
25 any other additional comments you would like to have.

1 PRESIDENT CARTER: Any questions for Mr. van Rijn?

2 SECRETARY DOHERTY: I'd just like a business card,
3 please.

4 PRESIDENT CARTER: Thank you very much.
5 Mr. Paris?

6 MR. PARIS: Good afternoon. My name is Bill
7 Paris, that's P-A-R-I-S. I'm the attorney for Reclamation
8 District 2140. And I know it's late in the day, but I'm
9 here to make good on a commitment, that hopefully is a
10 happy one, that I made about a year ago.

11 Last time I was here, I was even encouraging this
12 Board to encourage its staff and use whatever leverage it
13 had with the Department of Water Resources to hurry up and
14 get an amendment done which would enable the Department of
15 Water Resources to accelerate the nonfederal share for
16 PED, which, as Mr. van Rijn mentioned, was \$840,000.

17 As you may recall, this was in last May. We're
18 trying to get that done so that we could get very
19 important fieldwork done before the conclusion of calendar
20 year 2006. At the time, we were seeking a quarter million
21 dollars.

22 This Board agreed to use whatever leverage it
23 could. And board Member Doherty sort of tongue-in-cheek
24 suggested that I come back and, not only ask you guys for
25 something, but tell you when good things happen.

1 So I'm here to make good on that commitment and
2 say that that really worked out very, very well. Mr. Van
3 Rijn really undersold the importance of what you guys did.

4 Because the amendment was signed, the State of
5 California not only advanced the \$250,000 that we sought.
6 They went ahead on their own initiative and advanced
7 \$839,000, which was the complete nonfederal share.

8 That made up for a tremendous funding gap because,
9 as a result of the change in Congress and the failure of
10 Congress last year to pass a FY 2007 funding
11 appropriations bill, we had no money. We had no money at
12 all. We were relying completely and solely on the fact
13 that as a result of the actions of this Board and of the
14 Department of Water Resources, that we were relying on the
15 complete advancement of the \$839,000 of the nonfederal
16 share.

17 Not only using that, were we able to get the
18 fieldwork done that we desperately needed, but as Mr. van
19 Rijn said, we were able to begin PED, the actual design
20 work.

21 And because of that, we are on schedule now to
22 hopefully finish 35 percent design by the end of this
23 fiscal year. And if we're able to secure the necessary
24 funding for fiscal year 2008, on top of what the State has
25 already advanced, and on top of the \$621,000 we got just

1 this week, we anticipate being complete with design
2 sometime next year and moving on to construction.

3 In fact, when I was back in Washington, D.C.,
4 earlier this year, we actually asked for construction
5 dollars in Fiscal Year '08, being very optimistic. Didn't
6 get very far with that request, but that request has been
7 made because of the speed with which we are moving.

8 So I really appreciate the work that you guys did.
9 And I did say that I would come back and let you know how
10 it worked out. I'm not here to ask for anything today.
11 I'm just here to say thank you. We really appreciate your
12 efforts. We know that you guys have been strong
13 supporters of the project. I don't think we need to go
14 over any more of the slides or whatnot.

15 I'm here to answer any questions that you may
16 have. This is a very important project. We know it's an
17 important project for you guys. We really appreciate it.
18 I'm sure there will be more difficult things down the
19 road, but later on Friday afternoon, hopefully this will
20 be some good news to help you, and it's clearly been a
21 long day and probably a long week.

22 So unless you guys have any questions, I'm
23 finished. Thank you very much.

24 PRESIDENT CARTER: Any questions for Mr. Paris?

25 MEMBER BURROUGHS: Thank you.

1 MR. VAN RIJN: I don have one thing. I don't have
2 any business cards on me.

3 What is the best way for me to get you
4 information?

5 MEMBER BURROUGHS: Just write it on a card.

6 Thank you.

7 MR. VAN RIJN: Thanks.

8 PRESIDENT CARTER: Okay.

9 MR. LEE: I want to thank the Board for their
10 time, for listening to us on this project update.

11 PRESIDENT CARTER: You are very welcome, Mr. Lee.

12 VICE PRESIDENT HODGKINS: By way of a question,
13 right now, if this project goes forward in its traditional
14 manner, because the Rec Board is the nonfederal sponsor
15 during design, assuming money is appropriated and the
16 project is authorized, the assumption would be that we
17 would be the nonfederal sponsor; is that correct?

18 MR. LEE: That is a leading question into a can of
19 worms, I can see.

20 Essentially, we're discussing that right now, what
21 responsibilities the Reclamation Board would have, past
22 the flood damage reduction portion. And apparently, we're
23 looking at funding. Can we fund it from the bonds? And
24 under ecosystem restoration, we are discussing who's going
25 to get what liability and this particular time thing. So

1 these are all brand new questions that we just started
2 asking and we're discussing amongst ourselves right now.

3 So I don't have anything -- that's all I can say.

4 VICE PRESIDENT HODGKINS: Well, let me ask, at
5 least, that the local sponsor get involved in those
6 discussions, because this is a piece of the project that
7 is not connected to the current Rec Board project money --

8 MR. LEE: There's some liability issues.

9 VICE PRESIDENT HODGKINS: I was trying to avoid
10 that word.

11 (Laughter.)

12 VICE PRESIDENT HODGKINS: But that's okay.

13 And you know, I think the discussion here and the
14 consideration here goes along the line of, if you could
15 get the State money, just like the State was the local
16 sponsor, would you be prepared to go forward and, in
17 effect, serve as nonfederal sponsor for this project? Can
18 you think about that? I don't know if you can answer
19 that.

20 MR. LEE: We can't answer that today.

21 VICE PRESIDENT HODGKINS: But that's an important
22 question.

23 MR. LEE: Well -- and that's what we're already
24 beating around. So, yes.

25 MR. PARIS: If I may. Mr. Hodgkins, we have had,

1 actually, an executive team meeting as required by the
2 design agreement, involving DWR, that has broached that
3 very question. And with the locals, with the Corps, with
4 staff from the Reclamation Board -- Mr. Fua was there,
5 Mr. Punia, I understand, is following that closely. We
6 have just begun those discussions. We don't have an
7 answer.

8 It's complicated in this case, I do want to add,
9 because the levee is -- for all intents and purposes,
10 83 percent is considered an ecosystem facility, not a
11 flood damage reduction facility.

12 So even under the traditional rules, this was
13 going to be a conundrum, because the Reclamation Board may
14 or may not have authority to do ecosystem and the levee,
15 regardless of how the accounting is for it, is that a
16 levee isn't really an ecosystem for flood damage
17 reduction.

18 So this adds sort of an extra little twist to an
19 otherwise difficult question. And as Mr. Lee just
20 mentioned, we have started to knock these ideas around,
21 more in the sense of the theoretical nature. If the State
22 can't do it, who can do it? If the State can only be the
23 flood damage reduction sponsor, what does that do for the
24 ecosystem portion? And what -- how is the ecosystem
25 portion defined?

1 So these are extremely thorny issues that I think
2 we're going to have some knock-down, drag-out discussions
3 about, but we've started those, and we think that this is
4 going to be done in a timely fashion so that while the
5 design goes on, the negotiations can as well. So when
6 it's time to sign the PCA, we will have the right sponsor
7 or sponsors and have those issues behind us.

8 VICE PRESIDENT HODGKINS: Good. And to the extent
9 that the Board can help in bringing that to a resolution,
10 we encourage you to keep us informed about how the
11 discussions are going.

12 MR. PARIS: I would be happy to do that. And I
13 would be encouraged to hear ideas from Dan or from Jay or
14 from anyone as to how to do that. It's one of the
15 nonofficial -- one of the things we very much try not to
16 do is get something on the agenda and provide it to you
17 formally. This is it. We're going to make a decision.

18 We would like rather to have the Board be part of
19 a monitor through Jay and Dan's reports, the discussion
20 and how it's going, and sort of have an influence that
21 way, rather than put you in the position of vote it up or
22 down. I just don't think we're in that position.

23 VICE PRESIDENT HODGKINS: Good.

24 MR. PARIS: Thank you very much.

25 PRESIDENT CARTER: Thank you. Okay. Let's take a

1 ten-minute recess, and then we'll continue with Item 14.

2 (Thereupon a break was taken in
3 proceedings.)

4 PRESIDENT CARTER: Ladies and gentlemen, let's go
5 ahead and take our seats. We'll continue with the
6 meeting.

7 We are on Item 14 now, the Proposed Setback Levee
8 at Star Bend by Levee District No. 1 of Sutter County.

9 Mr. Twitchell, ready to go?

10 MR. TWITCHELL: Yes, I am.

11 PRESIDENT CARTER: Please.

12 MR. TWITCHELL: Jeff Twitchell here with Wood
13 Rogers representing Levee District 1, Sutter County.

14 Before I get started, I want to introduce you to a
15 few folks from LD1 and some of the active participants, as
16 well as on the project to date.

17 I will start with Francis Silva. He is the
18 chairman of the board of LD1. He's been there since 1961.
19 He's adding up the years. He's been on the Board for 46
20 years.

21 Bill Hampton is the general manager. He has been
22 there since '96, before the high water events in '97, '05.
23 And again, I think, last January, we experienced some high
24 water against the levees here, essentially, across the
25 river from the TRLIA area.

1 Also here, is -- I thought I saw Dan Yamanaka.
2 He's been involved with us on the Prop 13 feasibility
3 study efforts that are ongoing with this project, that are
4 reaching a conclusion. And I also wanted to introduce you
5 to Mr. Mike Churkin who is the primary landowner that's
6 affected by this setback levee, and he has his attorney
7 here, who I just met for the first time today.

8 So with that, I know you've had a long day here.
9 You got started at 8:30, and I will try and make this
10 brief, but I really want to try and bring you up to speed
11 as fast as we can, because during this presentation, I may
12 sound like a bit of a broken record after what you heard
13 earlier here, from TRLIA. And we had like nine key items
14 that I want to cover today. And to cut to the chase,
15 we're after the same things, on Item 7 and 8.

16 We -- this project, we feel is very eligible. It
17 meets the criteria for the Prop 1E and 84. But we really
18 want to kick off the Section 408 process as well as
19 Section 104 reimbursement.

20 So you know, above those, I've got six items. And
21 you know, if I was to spend a lot of time on that, it
22 could take a half hour. And I don't know -- I really want
23 to cater this presentation to your interests at this time.
24 And I don't know if you can share with me what items you
25 would like me to go into more detail.

1 SECRETARY DOHERTY: I have a question right now,
2 so I can get oriented.

3 Where in relation to this is O'Connor Lakes, and
4 where is Shanghai Bend in relation to Star Bend?

5 MR. TWITCHELL: Okay. Let me thumb down a few
6 slides, and we'll get right to it.

7 SECRETARY DOHERTY: Okay.

8 MR. TWITCHELL: If you can see, this is Star Bend
9 right here. The bend in the river is right here. That's
10 Star Bend and that's where we are looking at the setback
11 levee, which, by the way, is about six-tenths of a mile in
12 length, which is about one-tenth the size of the setback
13 levee that you are looking at, with TRLIA.

14 And that setback levee is right across the
15 river -- well, I shouldn't say right across. It's
16 slightly upstream. It works its way upstream for a
17 distance of, they are saying, 5.7 miles, whereas Star Bend
18 for LD1 is just right over here. This is the other
19 setback that was recently completed by TRLIA down here, on
20 the Bear.

21 Does that answer your question?

22 SECRETARY DOHERTY: Yes, it does. I just wanted
23 to get myself oriented.

24 MR. TWITCHELL: Shanghai Bend is up in this area
25 up here.

1 SECRETARY DOHERTY: Where there's a big housing
2 area.

3 MEMBER RIE: Okay. I have a question.

4 Why are you assuming you are going to have to go
5 through the 408 process?

6 MR. TWITCHELL: Because we're modifying a federal
7 levee system by moving the existing levee in its present
8 alignment with a new levee.

9 MEMBER RIE: Well, just because you are moving a
10 levee or setting back a levee, it doesn't necessarily mean
11 that the Corps would use that particular authority.
12 There's other authorities that they can use. Have you had
13 a discussion with the Corps as to --

14 MR. TWITCHELL: Not on this subject, no. But just
15 based on the observations I have seen with SAFCA and TRLIA
16 and others, we have been assuming that a 408 process would
17 probably be required.

18 Now, I'm open to something that might eliminate
19 that need there.

20 MEMBER RIE: I would suggest that you have a
21 conversation with the Corps, because there's other
22 authorities that they can use to review these projects,
23 and it's not an automatic 408 process for each
24 modification of a federal project levee. So I just wanted
25 to let you know that.

1 MR. TWITCHELL: Okay. That's good to know. Thank
2 you.

3 Let me thumb back up towards the top and go
4 through this presentation here.

5 PRESIDENT CARTER: Just go ahead and eyespot --
6 eyespot what you have. I think some of the areas of
7 interest are -- all of those: the two, three, four, five,
8 six.

9 MR. TWITCHELL: Yeah. And I think we can skip
10 over seven. I think there's about three pages on that,
11 that you can probably read on your own.

12 But essentially, I think this project, similar to
13 the Hamilton City project, does meet a lot of
14 multi-objectives of the 1E program.

15 Project purpose. You know, really what triggered
16 this project is a deficient levee there at Star Bend. And
17 Francis here can tell you that, historically, that's the
18 weakest point in the whole system, is right there in Star
19 Bend. Any time you have high water or significant seepage
20 that's occurring through, there's underseepage, and the
21 Corps, over the years, has attempted to make various
22 repairs in there. They put a seepage dish in there, a
23 filter blanket. And then just north of there, they are
24 experiencing some problems with a relieve well system that
25 was put in.

1 The setback, although it's short, it will improve
2 the river hydraulics by dropping the stage of the river by
3 about point six-tenths of a foot, starting as far down as
4 working upstream for three to four miles. And this
5 project also, along with most other setbacks, does provide
6 a restoration opportunity.

7 In the interest of time, I will skip over this.
8 But the point I'm trying to make here is, when we started
9 the project we looked at it as a year-and-a-half- or
10 two-year project. But with the 1E and 84 implementation,
11 we'd really like to start this project this year and
12 finish it in October of next year.

13 You should know that the -- this project has been
14 in the works for about -- it's closing in on two years.
15 We started Prop 13 feasibility study investigations.

16 This is the slide I think we hit earlier. If you
17 are passing or driving through up north on 99, just before
18 there's a turnoff to the Garden Highway that parallels the
19 levee, that's right where Star Bend is.

20 Now, this is a map here that shows, if there's a
21 break -- if a break were to occur right here at Star Bend,
22 you would have this inundation occurring. And that
23 inundation area encompasses just a little over 70 square
24 miles. And the impacts upon the area -- we did a GIS
25 spatial analysis on this, using the County's census data,

1 and it essentially would impact 25,000 people.

2 In that area, there's \$262 million worth of
3 property improvements and \$277 million of assessed land
4 values.

5 MEMBER BURROUGHS: I have a question. The
6 277 million assessed land values, how many acres is that?

7 MR. TWITCHELL: It's close to 70 square miles.

8 MEMBER BURROUGHS: 70 square miles?

9 Okay. Thank you.

10 MR. TWITCHELL: Assessed values are sometimes a
11 little more -- I'm sorry, are a little less than the
12 actual value.

13 What I had prepared here for you -- and I don't
14 think we have the proper software here to complement what
15 we've done here. But we had a simulated levee break here,
16 using Mike 21. Wanted to show you the timing and the
17 direction of inundation that could occur. There's both
18 the timing and the death component if there's a levee
19 break here at Star Bend.

20 But short of that, we have done a five-day
21 simulation here, what it looks like, snapshots at the end
22 of each day, assuming the levee break were to occur at
23 Star Bend.

24 This may take a while because it's -- this is --
25 you can see on the bar graph, on the right, the depths

1 here are about zero to four feet, and this would be after
2 a day of -- after a levee break. And this -- what we've
3 assumed here is that you have a levee break of a width of
4 about 800 feet, and it would grow over time, it would
5 start at zero and go up to the 800-foot width.

6 And this is assuming that there's a water stage
7 similar to what you experienced up there in '97, which was
8 a river flow in excess of the Corps design of 300,000 CFS.
9 What we envisioned would come through this break but over
10 time it would be as much as a third of that flow; it's a
11 hundred thousand CFS.

12 So quickly here, on day one, day two, you will
13 see, it's backing up, ever more so, closer into the
14 southern limits of the city of Yuba City.

15 What are the hydraulic benefits? You see the red
16 line there? That's where we are bringing down the water
17 surface elevation. That's the hydraulic benefit. I think
18 we have river miles spelled out down here. And it's about
19 three river miles where this has a beneficial effect to
20 both sides of the river.

21 This is a one-dimensional view here, and I have
22 two-dimensional modeling that we did. And it looked at
23 what's occurring on both banks. And it is different here;
24 it's not consistent on both sides of the river, because we
25 have -- the river meanders along this section of the

1 river.

2 And the low profile here is the hundred-year.
3 Right below that is the 200-year. And just above that, in
4 green, is the '57 design profile. And in all cases, we
5 are the hundred, 200. And this particular reach is below
6 the 57 design.

7 So this is the left bank what's occurring. The
8 value -- the benefit is the reduction, this red line below
9 the dotted black line there. That is the benefit that
10 reduces the flood stage on the left bank against TRLIA
11 there.

12 This is on the right bank against the LD1 levee.

13 Now, we had some comments on the EIR. There was
14 one here by RD 1,001. They were concerned that we were
15 opening up the floodway to -- increasing flows downstream.
16 As we heard earlier this afternoon, these flows are
17 somewhat regulated. But the modeling that we've done
18 shows there's only a slight increase on a hundred-year
19 event of an additional hundred CFS, from .036 percent. So
20 there's not really any substantial downstream impacts with
21 this project. Likewise, we've looked at the same for the
22 200-year event.

23 I'm going to hit where we are on the EIR process.
24 We set it up. Initially, we had a notice of preparation
25 back in May of last year. A public scoping session on

1 May 31st. And then we had the EIR distributed here, just
2 last February 21st. And we had the close of the draft
3 comment period here, two weeks ago today.

4 And during this process, we've had a public
5 workshop as recent as March 20th. And we're glad to have
6 the landowner most affected by that project -- this
7 project, to be in attendance at those workshops.

8 LD1 is right now preparing responses to the eight
9 comments they got on their EIR. And they hope to complete
10 the EIR here in the next couple weeks and adopt it at its
11 May 14th regularly scheduled Board meeting.

12 MEMBER RIE: Excuse me. Were there any comments
13 from the Rec Board?

14 MR. TWITCHELL: Here they are.

15 Number one comment was from Christopher Huitt, on
16 the staff of DWR. And he was here earlier today.

17 And his comments were really generic. In a sense,
18 they are saying that this project is subject to Title 23
19 and get a Rec Board permit to comply. And that's really
20 the substance of the comments in that letter.

21 Concurrently, when we sent out the draft EIR for
22 circulation for public review and comment, we did submit
23 to the Board on March 7th here, a Rec Board application
24 for this project. So it is on file. So I just share that
25 with you.

1 We did get a comment letter from Three Rivers
2 Levee Improvement Authority; they are supportive of this
3 project.

4 Number three, we got one from RD 1001 downstream.
5 And I need to spend time with them, educating them that in
6 our opinion there's no impacts down there.

7 As I showed you earlier, there's no substantial
8 increase in flow or stage. There's no increase in stage
9 for RD 1001.

10 Got a letter from the Department of Conservation.
11 There's -- I want to go on record that because we're
12 displacing some ag land, there is a loss. But at the same
13 time, we may recognize that with this levee improvement,
14 that there will be adding additional flood protection to
15 existing land behind -- existing ag land behind the levee.

16 SECRETARY DOHERTY: How many acres of ag land?

17 MR. TWITCHELL: We're going to impact potentially,
18 in round numbers, 50 to 60 acres. There's three property
19 owners involved, and I will get to that in a minute.

20 Got two letters from Department of Fish and Game.
21 They are both relatively supportive of the project. They
22 like to see the existing O'Connor Lakes area expanded and
23 improved upon with this project.

24 One letter is more from the regional level and one
25 more from the local. They are looking for parking

1 improvements for the habitat that's out there, for the
2 public to come visit. And they also have a request to
3 have the LD, during the construction of this project,
4 remove some riprap that's been placed in that area, over
5 the years.

6 Also, we received a letter not only during the EIR
7 process, but also during the scoping of the EIR from
8 Mr. Churkin here, with Volcano Vista Farms.

9 And then we received another letter from a local
10 citizen in the area. Wants to make sure that the
11 mitigation monitoring plan is a component of the EIR.

12 So it's more of a procedural thing that we're
13 going to respond to.

14 This exhibit here is really a depiction of the
15 existing corridor. And the yellow area is where the
16 Feather River Wildlife Unit is, and that is currently
17 managed by Fish and Game.

18 And you see that the current levee right now
19 provides -- it's a pinch point, and we want to pull this
20 back and open up this corridor here along the right bank.

21 And this is -- this is a -- blowup of the same
22 area.

23 So we're trying to create a larger corridor here.
24 And we're looking to set aside at least 20, if not 45, of
25 those 50 acres that we're displacing.

1 Just recently, here, last -- earlier this week, I
2 got a call from River Partners who's a contract for Fish
3 and Game River Partners. Actually, under contract with
4 Fish and Game, did a lot of restoration efforts in here.
5 They are looking for us to do some here, but they are also
6 trying to restore some of this area, up in this area.

7 And we are trying to determine the best way to do
8 that. And what we're finding is, one of the biggest
9 concerns we have on this project is finding the right soil
10 material, like the correct clay material.

11 And we're hoping -- right now we're looking at
12 this area. But also in the EIR, we've looked at, and our
13 estimates have accounted for, possibly having to trek
14 material landfill in from 30 miles north and south of the
15 project. If that's the case, then we will look at adding
16 this component to this project, for restoration
17 improvements. And that area that we're looking at is 80
18 to 120 acres there.

19 This is an exhibit that was included in the Rec
20 Board Permit Application. And it's a mandatory
21 requirement that we notify, or the Board notifies, all
22 adjoining property owners. I believe the Board has done
23 that. In addition to the adjoining property owners here,
24 we also notified TRLIA.

25 And here is a depiction of the three properties

1 that are most affected by this project. The blue area
2 here is owned by the Churkins. They own in excess of a
3 hundred acres. They have one parcel that's 95.2 acres.

4 We're looking at working with Mr. Churckin on
5 this, trying to secure 50.7 acres for the project of which
6 40 we're looking to obtain a fee title, collectively with
7 Fish and Game, and possibly another 10 acres for some
8 landward side easements.

9 Singh property, there's 94 acres there. We are
10 looking to acquire about eight and a half acres. And then
11 Stephens down in the lower right has a small 17-acre
12 parcel that we're just cutting the corner off the 24
13 acres.

14 Some of the infrastructure that's there includes a
15 pump station that is not only used by Mr. Churckin on the
16 site, but also by two other water companies. And that
17 facility is up on the corner, right around the bend on the
18 river, up in this area. And we're looking to extend that
19 infrastructure to the landward side of the new levee.

20 And so I'm hoping, as a result of this meeting, I
21 can spend a little time with Steve Bradley going over some
22 of the details of those improvements. And then the next
23 slide we'll hit on some of the those.

24 We're proposing to bring the smaller diversion, as
25 owned by Mr. Churckin, up over the hundred-year design.

1 And we'll be going through the levee or under the levee
2 with this larger seasonal diversion that only diverts
3 during the nonflood season.

4 Project costs. Where are we on those? We think
5 the -- based on the latest estimates, that we're using not
6 only in this project but other comparable projects that
7 are going to bid that we receive bids on, for SAFCA and
8 some work that we're involved in, in the Wheatland area,
9 and also watching the bids on -- in the TRLIA area.

10 These numbers are based on current cost estimates.
11 So these are going to break down the project costs. The
12 bottom line here is, we're right at 19.9 or about
13 20 million for a setback that's about six-tenths of a
14 mile.

15 Project funding. The total project there is
16 around 19.9. We're looking in a similar fashion that
17 TRLIA's is, looking to get about 20 to 30 percent local
18 cost-sharing with a balance -- with DWR possibly providing
19 1E and 84.

20 Now, where is the local money coming from? And
21 really, it's from A, B, C below. And that's -- those are
22 member agencies of the West Feather River Levee
23 Reconstruction Agency. And that's an agency that was
24 formed back in '86. It was kind of the earlier version in
25 that neighborhood up here, comparable to the SAFCA or

1 SJAFCFA that you might see in Stockton.

2 And that's being -- they had their last meeting.
3 They are actually reforming and restructuring themselves.
4 They are going to be going by the name of Sutter Butte
5 Flood Control Agency.

6 And some of the key members there are the County
7 of Sutter and the City of Yuba City. And they are putting
8 up to 3.2 million for this project. And this is in
9 advance of 218 assessment going on.

10 One of your predecessors, that used to sit on the
11 Board here, Barbara LaVake, when he was on the county
12 board of supervisors, she and -- approving so many
13 entitlements for a power plant in that area, secured a
14 \$1 million trust fund for flood control improvements in
15 that Sutter Yuba City basin. And this is the first
16 project that's come out that the county would like to see
17 this money go towards.

18 And then Levee District 1, they are a pretty small
19 levee district. They have an operating budget of about a
20 million dollars, and they are willing to put up half of
21 their budget towards this project.

22 I will skip over this in the interest of time.
23 This is a schedule. Like I said, we laid this out for a
24 year-and-a-half project, but really what TRLIA is
25 proposing is working -- the key critical component here is

1 working with the landowners, in my mind, going forward
2 with this.

3 And that is, if we get any compliance with the
4 landowners, we could start construction on the landward
5 side of this levee as early as this August.

6 And then hopefully we can complete construction by
7 the end of next year's construction season.

8 In the interest of time, I will skip over this.
9 But the next three slides really highlight why LD1
10 believes this project is very responsive and meets the
11 criteria of the 1E and early implementation program.

12 I will point out, down below here, the flood
13 damage reduction component, the cost component of this --
14 let me back up here -- is 2.3 million. The restoration
15 component is actually larger than the flood reduction
16 component. That's 3.3. And then there's some overlapping
17 costs, joint costs, between the federal -- I mean the
18 flood damage component and the restoration component. And
19 those amount to 14.4.

20 Yes?

21 MEMBER BURROUGHS: On your ecorestoration, is that
22 using River Partners' bid, or do you have any other bids?

23 MR. TWITCHELL: We don't have a bid from them. I
24 do have an estimate for that, from them, to take bare land
25 after it's already been acquired. And say, if it was an

1 empty ag field -- and not so much an orchard, but say it
2 was other crops, take that and convert it with native --
3 procuring the habitat. Their number is around 7,000 to
4 7,300 dollars an acre.

5 MEMBER BURROUGHS: Thank you.

6 MR. TWITCHELL: But anyway, what I wanted to show
7 here was the breakdown of the cost.

8 And we have been working on the feasibility study
9 on this project for oh -- it is closing in on a year and a
10 half. And we met briefly here with Steve Cowdin of DWR,
11 who's an economist. And we were kind of going down the
12 path, following some of the methodology that had been
13 deployed by Three Rivers Levee Improvement Authority on
14 some of their setbacks.

15 And DWR said, "No, we really want you to follow
16 the protocol or the methodology that's been adopted by the
17 Corps and by -- and particularly the Hamilton City
18 project."

19 So that's the methodology we've come up with on
20 coming up with the cost components that are related to the
21 flood damage reduction and that restoration.

22 I skipped over that. But we're showing -- let's
23 go back.

24 Just before that, we're showing a benefit, a flood
25 damage reduction benefit cost ratio of 1.3. And that's

1 existing conditions. Now, if the area continued to grow
2 at historic growth rate, which is .8 percent year, over
3 the 50-year analysis, the EC ratio would climb up to 1.9.
4 But presently, it's at 1.3.

5 Skip through these here.

6 I think we talked about the cost-sharing.
7 District's looking for close to 15 to 17 million from DWR
8 on this, and we're asking for 3 to 5 million.

9 I don't know how well the Board here knows some of
10 the conditions that will be imposed on the recipients of
11 the grant funds, but one of the criteria is they want the
12 locals to acknowledge what their preproject flood risks
13 are and what their postproject flood risks will be.

14 And they are requiring the cities and the counties
15 to acknowledge what those levels will be. And as part of
16 the commitment, funding letters that we have recently got
17 here from the city and the county here, just on Tuesday of
18 this week, we've asked them to acknowledge that this
19 project only restores this levee to its '57 design. It
20 does not necessarily restore hundred- or 200-year level
21 protection here.

22 So they've got quite a bit more work in this basin
23 to get to a hundred- or 200-year level. And this project
24 is really just the starting point of that.

25 So why are we here today, and why will we be

1 before you again, in 30 days or 60 days, is we want to
2 initiate a 408 -- well, if we don't have to initiate the
3 408 process, we'll research that over the next couple
4 weeks and make a determination.

5 But what I'm hearing is, we may have to default to
6 this process. We also want to initiate the Section 104
7 process, similar to what TRLIA is after.

8 And to be responsive to the Prop 1E and 84, we're
9 trying to get a permit here in the next 60 days. So we
10 don't know if you can issue a permit subject to getting
11 concurrence from the Corps and later authorization from
12 the Corps. But those are the things we want to explore
13 with you and staff.

14 So that's -- you know, I think these are topics of
15 discussion that we want to talk about here. Where do we
16 go, trying to get to the finish line here?

17 Also, I don't know if Mr. Churckin or -- if he
18 wants to say a few words. But I wanted to make sure he
19 was here today. I called him, and I think he, as a
20 primary landowner here, is receptive to this project. I
21 will let him speak to that effect. But I think it's all
22 going to come down to what's the fair compensation here?

23 PRESIDENT CARTER: Thank you, Mr. Twitchell.

24 You understand, this is just agendized as an
25 informational item, so the Board can't take any action

1 today.

2 But you have made your request in terms of what
3 you would like the Reclamation Board to do, and we can
4 start that process internally with the staff and agendize
5 the requests and action items for future meetings.

6 SECRETARY DOHERTY: Mr. Churckin, what's your
7 feeling about this? Will you still be able to farm?

8 MR. CHURKIN: I would like to say a few words, if
9 I can.

10 We've been supportive of this project from the
11 start. We have allowed people to drill holes on our
12 property, etc.

13 I'm just going to review to you the fact I
14 evacuated from our farm there twice. And this is two
15 years in a row -- '97 and '98. The levee was mushy at
16 '97. And in the middle of the night, we evacuated with
17 vans, because I was friends with the building inspector,
18 chief building inspector, of Yuba City. And he told me,
19 "It's going the break any minute."

20 We got out, and basically we lost farms in the
21 Delta. I used to own a part of the wet track, and I know
22 a lot about flooding. And I built a new home on the
23 Sacramento River, which had a bypass. It's much safer.

24 And on that particular river, we built an
25 engineered path 4-foot high next to the levee, and then

1 built a 14-foot high block and steel structure. And our
2 levee floor right now is close to 21 feet above flooding.

3 And so we feel we are somewhat protected.

4 (Laughter.)

5 MR. CHURKIN: So basically, I think that this is a
6 very dangerous place. It affects not only the city of
7 Yuba City, and we have a number of homes on our property.
8 We have six rentals there.

9 But it affects a lot of industrial property,
10 Calpine is the major energy producer for the Bay Area. I
11 would say within an hour -- no, not an hour. Within one
12 day, there would be 4 to 5 feet of water at their
13 property. Then basically, there are two new packing
14 plants, and there are new trucking plants being built
15 right in line with that Star Bend. I would say that
16 within two hours, they would be inundated, not in a day.
17 And so it would be a major economic impact for a county to
18 have Star Bend break.

19 Now, the concern that I have is that basically I
20 learned from the Department of Water Resources that every
21 8.3 years on an average there either is a break on
22 Sacramento River or the Feather River or one storm away.
23 That's how close it is. And basically, we are living in a
24 danger zone all the way up and down these levees.

25 This is a particularly dangerous place because the

1 levee has a choke point there. And there's no question
2 that the river rises when it reaches that point.

3 And I can tell you that the levees seep there, and
4 that's one of the things that we hope if the setback levee
5 is implemented, that it would prevent a lot of seepage
6 that affects buildings in the area and, of course, the
7 water table for wells, etc.

8 Now, I just want to conclude that as this process
9 goes along, we started with 34 acres that they would take
10 of my property, and now it's up to 50. And it's
11 increasing.

12 And I don't know whether we will have a viable,
13 economic farm after the 50 acres is removed. And when we
14 first bought the property, we realized that we were on a
15 marginal situation, and we increased our acreage through
16 time. And so as farmland is taken away from a major
17 productive unit, it decreases the remainder.

18 Thank you.

19 MEMBER BURROUGHS: I have one question. I'm just
20 curious. You've been neighbors, there, with River
21 Partners. How have they been for neighbors?

22 MR. CHURKIN: How have they what?

23 MEMBER BURROUGHS: How have they been?

24 MR. CHURKIN: They've been good to us. And
25 basically, we've allowed them to go across the levee. And

1 basically they are trying to restore the riparian habitat,
2 but it's not terribly successful, frankly, because on the
3 other side of the levee from us, the river washes every
4 few years. And it's a very sandy area, and it's very
5 difficult to grow anything there.

6 MEMBER BURROUGHS: Thank you.

7 MR. CHURKIN: Are there any more questions?

8 PRESIDENT CARTER: No. Thank you very much, Mr.
9 Churckin.

10 Any other questions?

11 MEMBER BURROUGHS: Staff has a question.

12 PRESIDENT CARTER: Oh, I'm sorry. Mr. Bradley?

13 CHIEF ENGINEER BRADLEY: Yeah, just had a
14 question.

15 Ms. Rie said that there were other methods for
16 relocating the levee.

17 My understanding, the Corps will not talk to the
18 applicant. They only deal with the nonfederal partner,
19 which is the Reclamation Board. Somewhere, we will have
20 to ask them to make a determination. It may not be 408,
21 but we will have to ask them to make a determination as to
22 how this levee relocation will be addressed.

23 If it was a levee failure under PL 84-99, you
24 could create a setback levee under PL 84-99 as part of the
25 authorization. But somewhere you either have to have an

1 authorized project or ask the Corps on their
2 determination.

3 Now, in all practical purposes, what they have
4 told us so far is to go through 408. We're not asking for
5 that. We are just asking for their determination.

6 MEMBER RIE: And I apologize. I didn't mean to
7 exclude you in that recommendation. What I meant was, you
8 would get together with staff and discuss that with the
9 Corps.

10 CHIEF ENGINEER BRADLEY: And eventually, that
11 would be a Board action somewhere along the line. If you
12 approve the project we would send 408.

13 Also, I would like to point out that when 408
14 first started under the River Islands Project, the process
15 was to make -- the Board would approve the project. You
16 would not issue a permit at that time. You would make a
17 request to the Corps. When the Corps comes back and says,
18 "It is okay to modify it," then you would issue the
19 project -- or the permit, I'm sorry.

20 So that's sort of the way the process should work.
21 It hasn't exactly worked that way in the Bear River
22 setback and may not even be on the Feather River setback.
23 They seem to want their permits first. But typically.
24 You wouldn't issue a permit for something that hasn't been
25 approved by the Corps.

1 But that's a policy call, not mine. That's a
2 Board decision.

3 MEMBER RIE: Well, as you know, what we're faced
4 with as a Board is, we have a 180-day time limit to act on
5 these permits.

6 So I don't think we have a choice, in some cases,
7 except to make the Corps' approval or Corps permits a
8 condition of our permit. So it's all going to depend on
9 the timing.

10 CHIEF ENGINEER BRADLEY: Well, I think that that's
11 true, but when there's a federal action involved, you
12 cannot unilaterally make a decision. It's a coordinated
13 process. And so I -- you know, I'm not sure how the 180
14 days applies when it's a multi-jurisdictional decision.

15 MEMBER RIE: Aren't they all multi-jurisdictional?
16 The 180 days comes straight out of Title 23, which assumes
17 we're sending all these applications to the Corps for
18 review, regardless, whether it's a 208 or --

19 PRESIDENT CARTER: I think we're kind of getting
20 off topic at this point, off of this agenda item. So I
21 would like to kind of wrap this up.

22 I think that's a valuable discussion to have
23 another time, probably at the subcommittee level first and
24 get a meeting of the minds and get some agreement amongst
25 Rec Board and staff, and then move forward from there.

1 MEMBER BURROUGHS: One other question in regards
2 to the design. You mentioned that it would be a '57
3 design and would not be restored to a hundred or 200.
4 Were there any feasibility studies on the cost to bring it
5 to 100- or 200-year?

6 MR. TWITCHELL: The project improvements that we
7 are proposing are being designed to provide protection to
8 the 200-year level and '57 design. That section of the
9 levee will be designed as such.

10 But there's other miles of levee that we're not
11 touching here that may not meet the current hundred or 200
12 criteria.

13 So this is the first segment of other levee
14 improvements that may be needed in this basin to restore
15 that basin to what they once thought they had.

16 Does that answer your question?

17 SECRETARY DOHERTY: Thank you.

18 MR. TWITCHELL: So yeah, we are designing to a
19 200-year.

20 VICE PRESIDENT HODGKINS: Jeff, what are combined
21 flood damage ecorestoration benefits? Does that mean you
22 can't any other way? You throw them together?

23 MR. TWITCHELL: No, I personally didn't do this
24 analysis; it was other members on our staff who did.

25 But let's just say -- this is what they did in

1 Hamilton City, is if you are repairing in place, if you
2 repair that existing levee in place, there's no real
3 ecosystem benefits there.

4 But if you are going to take that levee and move
5 it back, physically moving that levee, that is an
6 eco restoration benefit that that brings. I mean, you
7 could get 200- or 100-, 200-year protection by repairing
8 in place.

9 So if you were to do that, there would be no eco
10 component of that. But once you move that levee, there is
11 an eco restoration component, cost component.

12 So like the cost of the land and the cost of
13 importing soil, all that's associated with constructing
14 that -- I shouldn't say all the costs, but large
15 components of that is attributed to the eco restoration
16 benefits.

17 I'm doing a poor job of explaining that.

18 VICE PRESIDENT HODGKINS: We'll try it again.

19 PRESIDENT CARTER: Thank you very much,
20 Mr. Twitchell.

21 MR. TWITCHELL: A couple comments in closing.

22 PRESIDENT CARTER: Briefly.

23 MR. TWITCHELL: Quickly, on some of the
24 discussions earlier, I would hope also to be working with
25 DWR staff and with the Environmental Review Committee,

1 making sure that occurs on a timely basis.

2 And I just want to be able to have -- I usually
3 have good access to the staff. But we want to forge ahead
4 on these Section 104 and 408 issues.

5 PRESIDENT CARTER: Very good. I think the key
6 there is just keep in close contact with staff and make
7 sure the information is to -- put it on a timely basis.

8 Thanks very much. We're on to Item 15, Board
9 comments and task leader reports.

10 First, Board comments?

11 MEMBER BURROUGHS: Oh, I have two.

12 PRESIDENT CARTER: Okay.

13 MEMBER BURROUGHS: The San Joaquin meeting was
14 postponed this month, pending some new studies that are
15 just coming out. And in regards to Reggie Smith, maybe
16 Jay could comment on that.

17 GENERAL MANAGER PUNIA: Reggie, he will brief the
18 Board on his concerns on the Chowchilla Bypass and the
19 main stem of the San Joaquin about bifurcation.

20 His main concern is that it may be not be possible
21 that additional work can be done under PL 84-99, due to
22 that the Corps doesn't have the funding. So he expressed
23 that concern; and that evaluation, the levee evaluation
24 program, the Department has started focusing on urban
25 areas and not going into the rural area.

1 So those are the two concerns he's expressing, and
2 I have invited Reggie to give a similar briefing to the
3 full Board so that the Board can appreciate his concerns,
4 and then we can work with the Corps and Department of
5 Water Resources. So he's -- I will coordinate with him so
6 that he could brief the full Board in May.

7 PRESIDENT CARTER: Gentleman, could you take it on
8 outside, please, if you are going to talk out loud.

9 Thank you.

10 SECRETARY DOHERTY: Are you done?

11 MEMBER BURROUGHS: Yes, thank you.

12 SECRETARY DOHERTY: I have a concern. And it's
13 been a concern to several of us at various times. And I
14 think at some point we have to slow down and talk about
15 it.

16 I want to know, when is a project done? For
17 instance, if I get a permit to build a room and I got two
18 windows and two doors and I build it and I've got one door
19 and one window and they tell me, "Well, it's not necessary
20 to do the others," is my project done? If I put an
21 application in, do I have to do everything that's in that
22 application, or is it a choice that I can do some and I
23 don't have to do others? So that's one thing.

24 The timeline on the information. If we don't have
25 time to get it done, our manager is going to have to tell

1 people, there's not enough time to get that information to
2 the Board.

3 It's difficult to make decisions that are life
4 threatening, perhaps, for some people if we really can't
5 consider it fully.

6 And then the last thing I have is a concern --
7 should each of us write a letter to the governor's
8 appointment secretary and say, "Please, for gosh sakes,
9 give us another person on the Board," and specify maybe
10 who it is or don't specify? I mean, I don't know. I
11 don't want to get a dilly, but I think we need some more
12 help here, on this Board.

13 MEMBER BURROUGHS: I would support the Board as a
14 whole, giving a letter to the governor's appointment
15 office.

16 I just said I support it. It wasn't a motion.
17 All right. I'm just making my comment.

18 PRESIDENT CARTER: I think that each and every
19 Board member is free to act on their own. And in that
20 regard, with the governor's office, and I would encourage
21 you to do that.

22 We've had vacancies for over a year now and it's
23 high time that they were filled. It would help us. So I
24 would encourage you.

25 I've had numerous discussions with the

1 appointments office. And as I mentioned in the past, it's
2 been kind of a revolving door there. I think I talked to
3 five different appointments secretaries that have been
4 responsible for our Board. And every time it's like
5 the -- we're starting from ground zero again. So I
6 would -- I would encourage you all to do that.

7 SECRETARY DOHERTY: One more thing, as long as I'm
8 at it. I would like a complete project. I don't want to
9 see Phase 1 and Phase 2 without knowing how Phase 3, 4, 5,
10 6, 7 are going to affect this whole project.

11 And I think, up to this point, it seems to me,
12 I've gotten pieces of a project, and all of sudden, "Oh,
13 there's lots more." And I think that we need to -- if
14 people are going to have a project, let them give us the
15 whole thing or at least an overview or something.

16 MEMBER BURROUGHS: Maybe what it comes down on the
17 future agenda, we could put that down as a resolution that
18 maybe the Board could work on in regards to how we receive
19 information.

20 SECRETARY DOHERTY: Okay. I'm done.

21 PRESIDENT CARTER: Next?

22 MEMBER RIE: I'm going to make a quick comment.
23 Then I will give a report on one of the committees.

24 There was an item earlier in the day in which
25 several of the Board members referred to letters from

1 landowners. And I didn't receive copies of those letters.
2 And I inquired after we finished that particular item.
3 And it was brought to my attention that the letters were
4 only submitted to the committee members. So I did not
5 have the benefit of the letters from the landowners.

6 SECRETARY DOHERTY: I didn't have your fax.

7 MEMBER RIE: Otherwise you would have faxed it to
8 me?

9 SECRETARY DOHERTY: I would have. I would have.
10 I should have called you.

11 MEMBER RIE: So not having those letters and
12 hearing about the letters at the very end of the
13 discussion, I think that may or may not have affected my
14 decision-making process. But not having those, you know,
15 I feel like I didn't have the information.

16 So enough of that.

17 GENERAL MANAGER PUNIA: Maybe if we could get a
18 clarification from the Board.

19 Those letters were addressed specifically to the
20 Board members. If the Board desires that if one member
21 gets the letter, we will be glad to make a copy and send
22 it to everybody, but based upon the subcommittee's
23 membership, they were addressed to --

24 SECRETARY DOHERTY: She got a copy.

25 MEMBER BURROUGHS: I got letters directly to my

1 name.

2 GENERAL MANAGER PUNIA: Yeah.

3 MEMBER BURROUGHS: And then I got yours, that you
4 faxed to me.

5 SECRETARY DOHERTY: But it had your name on it.

6 MEMBER BURROUGHS: Yeah.

7 GENERAL MANAGER PUNIA: They were not addressed to
8 all the Board members. But if the desire is that once one
9 Board member gets a letter, we can make copies and send it
10 to all. We just need some direction on that.

11 SECRETARY DOHERTY: I agree with you, Teri,
12 because if you make a motion about something I don't even
13 know what you are talking about, then it would maybe
14 change my opinion. And I think you are right.

15 MEMBER BURROUGHS: And I think that's true for the
16 subcommittee as well.

17 PRESIDENT CARTER: I think we should -- in the
18 future, the materials that are submitted to the
19 subcommittees in particular, those public materials need
20 to be distributed to all the Board members, directly after
21 the subcommittee meetings.

22 And then I -- where we have correspondence that is
23 germane to agenda items that the Board is considering, at
24 the subsequent meeting, they ought to be included as part
25 of the Board packet.

1 And if there's any question as to whether or not
2 they are public or private, staff should ask the Board
3 member who got the letter and say, "Do you think it's
4 appropriate -- is it okay if we copy this to all the other
5 Board members?"

6 The only implication is, it becomes public
7 information. But if it's germane for decision-making and
8 for policy-making, it's important that everybody have all
9 the data.

10 MEMBER RIE: I think if one Board member is basing
11 their decision-making on a particular letter that they
12 receive personally, then I think that letter needs to be
13 distributed to all of us, so that we all have the benefit
14 of the same information. Enough of that.

15 The Delta Levee Subventions Committee met, and we
16 have a dramatic change in the funding. Last year, it was
17 \$6 million. For the upcoming year, it's going to be
18 \$25 million. So previously, we've only been approving
19 budgets, and we have approved budgets two years in a row
20 now, for the bare minimum maintenance.

21 But we are going to have money to go beyond
22 maintenance. We're going to have money to bring levees up
23 to PL 84-99 standards. And we also have the opportunity
24 to include special projects that this Board wants to see
25 funded. So this is our program.

1 So in previous years, Boards have had the
2 opportunity to have pet projects included in the budget,
3 so if -- and these are Delta levee nonproject levees. So
4 if anybody has any pet projects that you want to see
5 funding put in the upcoming year's budget, please let me
6 know so we can consider that.

7 For example, if we have an island that has a lot
8 of residences and the levees aren't up to standards, and
9 would like to see extra money sent over to that island,
10 then we should include that in the upcoming year's budget
11 proposal, which we are going to approve. So if you guys
12 have any ideas, let me know. Of course, you know, we'll
13 do it at the Board meeting.

14 But it's definitely our program, and we can put
15 whatever we want in terms of the special project in there.

16 PRESIDENT CARTER: So last month, we approved the
17 criteria by which the projects will be screened; is that
18 correct? That kind of tiered approach?

19 And then as projects -- is there going to be an
20 agendized item that lists all the projects that are going
21 to be eligible -- that are proposed to spend that bucket
22 of money, or are they going to come to us piecemeal, or
23 how is that going to work?

24 MEMBER RIE: Each year, all of the reclamation
25 districts submit applications. The last time we approved

1 the budget, I think it was October or November. So
2 probably in four months, we'll be approving the next
3 year's budget.

4 So based on the applications that are received by
5 DWR staff, DWR staff is going to go through, look at the
6 projects, prioritize them, look at the eligibility in
7 terms of maintenance, bringing the levees up to PL 84-99
8 standards, and there's habitat restoration, which is
9 included in the priorities.

10 And we also have the opportunity to change the
11 priorities and to change the criteria and to change the
12 caps. Currently, you can only be reimbursed for \$15,000
13 per mile. We have the opportunity to lift that. And the
14 cap hasn't been lifted for ten years. It's been \$15,000
15 for the last ten years. And maintenance costs a lot more
16 than \$15,000 per mile, depending on what you need to do.

17 So we're going to be looking at raising the cap
18 probably to \$20,000 per mile for routine maintenance. And
19 currently, the cap is a hundred thousand dollars per mile,
20 for bringing levees up to standards, to the PL 84-99
21 standards. We are also going to be looking at raising
22 that cap as well.

23 So this will all be brought back in one package,
24 one budget, one approval. But we have several months to
25 look at the criteria, the spending caps, look at our pet

1 projects. And the No. 1 priority for the subvention
2 funding is maintenance. Then this is sort of like a 1B
3 priority, is Rec Board pet projects. I hate to use that
4 phrase, but that's what it is.

5 So think about if you have any ideas of where you
6 want to send extra money, because there's extra money to
7 be sent out there, to those islands.

8 PRESIDENT CARTER: Thank you.

9 Anything else?

10 MEMBER RIE: That's it.

11 MEMBER BURROUGHS: I have one question in regards
12 to Teri's request for special projects monies.

13 Would it be possible then maybe to have that --
14 when we talk about the agenda, having special project
15 possibilities, rather than just us having our own pet
16 project, that we could have a list of information that we
17 could choose special projects for?

18 MEMBER RIE: Yeah. I could bring back a list and
19 we can talk about it; we can put it on the agenda.

20 PRESIDENT CARTER: My work is -- if there are
21 specific projects that Board members have in mind or staff
22 has in mind that they ought to tell Teri and she can put
23 that into the -- onto the list of projects. And then the
24 committee can then bring their recommendation -- they can
25 bring the list and the recommendation back to the Board,

1 and the Board can discuss it on the floor and make a
2 decision.

3 So --

4 MEMBER RIE: Yeah.

5 PRESIDENT CARTER: Or it can -- we can have a
6 couple of discussions about it. But just depends on how
7 complex it is, I guess. But I mean, if there are -- if
8 you do have specific projects now, in mind, better let her
9 know sooner rather than later.

10 MEMBER RIE: Let me know now, because we're going
11 to have to look at the cost, and there's going to have to
12 be a number put in the budget and that's going to have to
13 be taken into consideration with all the other application
14 requests out there.

15 PRESIDENT CARTER: Mr. Bradley?

16 CHIEF ENGINEER BRADLEY: I would just like to
17 suggest, you do not refer to these as "special projects."
18 That is the other half of this program. There's the
19 Subventions Program that is run by the Rec Board. The
20 Special Projects Program that is run by DWR, all kind of
21 funded out of the same pot of money, but split 50/50.

22 And you may want to refer to them as "projects of
23 interest" to the reclamation Board or something, but not
24 call them "special projects" which would confuse the
25 issue, I believe.

1 MEMBER RIE: Thank you for that clarification.
2 He's right. There's special projects that are the
3 recommended DWR special projects.

4 PRESIDENT CARTER: Those are DWR pet projects.

5 MEMBER RIE: Right. Exactly. And then there's
6 the Rec Board's pet projects, our priority projects.

7 PRESIDENT CARTER: Okay. Mr. Hodgkins?

8 VICE PRESIDENT HODGKINS: Nothing to report.

9 PRESIDENT CARTER: Nothing to report?

10 I wanted to report that we did not have an
11 executive committee meeting with DWR exec this month due
12 to schedule conflicts.

13 There were still a couple open items from our
14 prior executive committee meeting. One of them was the
15 408 process. I think the suggestion coming out of that
16 meeting was that the Rec Board set up a meeting with the
17 Corps to talk about 408.

18 Butch, you were going to get with Teri on that.
19 It sounds like we need to have a discussion at the
20 subcommittee level with the staff to make sure we're all
21 on the same page, and then that meeting needs to happen.

22 So I don't know if anything's been done on that or
23 what the scoop is.

24 VICE PRESIDENT HODGKINS: I -- Teri went on
25 vacation before I called her. So we just had a chance to

1 talk briefly today, and we're going to talk a little bit
2 more. And we'll let, you know, at the next meeting.

3 PRESIDENT CARTER: All right. So this is
4 continuing to be an issue that's before the Board. It
5 would be nice to get some traction behind, some direction,
6 and agreement with the Board and that -- as Mr. Eres
7 pointed out earlier, if we can -- we can all get on the
8 same page and improve the partnership we've got,
9 everyone's better off.

10 MEMBER BURROUGHS: With that, if the Corps is
11 going to come and speak about the 408, is that what you
12 are talking about?

13 PRESIDENT CARTER: No. I think it's premature to
14 have them come and talk about the 408. I think the
15 discussion that we had envisioned was really trying to
16 understand how -- where the Corps was on its 408 process
17 and where -- what its thinking was in terms of how it's
18 going to treat, in terms of the federal determination, a
19 lot of these project modifications that are coming before
20 the Board.

21 There's one school of thought, that thinks that a
22 slurry wall is a modification to the project as well as a
23 levee raise, as well as a levee setback and whatnot.

24 So it's a gray area in terms of what can we do to
25 the levee that doesn't constitute a change in the

1 process -- in the project -- in the federal project, which
2 triggers a separate process. So that's the discussion
3 that we really need to have. And that needs to happen at
4 the subcommittee level first, with our partner and the
5 Corps. And then hopefully the subcommittee and the Corps
6 can come back and say, "This is kind of where we are at
7 and this is where we need to head."

8 So I think it's premature to have the Corps come
9 and make a presentation about the 408 process because we
10 don't know what the process is yet.

11 MEMBER BURROUGHS: Yeah. Just -- again, just like
12 Teri mentioned earlier, that it's an advantage to the rest
13 of the Board if the subcommittee has an opportunity to
14 discuss with the Corps the 408 process and the rest of the
15 Board doesn't have the same opportunity.

16 So I am recommending that it be presented to the
17 whole Board.

18 PRESIDENT CARTER: Okay. Either that, or we
19 can -- we can form a subcommittee that holds publicly
20 noticed meetings, and we can handle it that way.

21 I think that -- personally, I think that there's
22 some groundwork that can be done without my involvement,
23 without everybody's involvement, and then find a common
24 ground and then get everybody involved. And I think that
25 that process might work better for moving ahead more

1 quickly and more timely.

2 MEMBER RIE: I agree with Ben. I think this is a
3 little bit premature. It's a new process for the Corps.
4 They haven't applied it uniformly to all project
5 applications. It's been applied one time, and that was to
6 the Bear River setback levee. Previously, slurry walls
7 and -- what are the other things that they are looking at?

8 PRESIDENT CARTER: Slurry walls, levee
9 strengthenings.

10 MEMBER RIE: Levee strengthening, seepage berms,
11 those sort of things were not under the 408 review
12 previously. Those were done under 20810.

13 And it's a very recent, in the last two months,
14 change, to start looking at slurry walls and strengthening
15 and that sort of thing, under the 408 process.

16 So I think it would be unfair to put the Corps in
17 a position of trying to define the process when they
18 haven't quite defined it amongst themselves. So the Corps
19 needs an opportunity to take a look at how they want to
20 apply this and what authority they want to use and when.
21 And that discussion is ongoing.

22 PRESIDENT CARTER: And I think the task group
23 needs to go to the Corps and say, "This is kind of our
24 perspective and we're interested in where -- in where you
25 guys are headed with this," so that we can -- we can

1 better coordinate with their -- with their efforts and try
2 and keep these projects that are coming before us on
3 track.

4 That was one item that hopefully we can move ahead
5 with.

6 Butch brought up the other item that was open with
7 regard to the Hamilton City project, which is the general
8 policy discussion of what -- what's the state versus local
9 sponsorship of new flood control projects or projects that
10 are happening in our geographic jurisdiction, that are not
11 necessarily connected to the plan of flood control. And
12 it has to do with the implications on the system, of what
13 they are doing in those projects, what the cumulative
14 impacts to the system are. There are a lot of
15 considerations.

16 I hope that the Rec Board staff is involved in
17 some of these discussions that clearly the Hamilton City
18 folks are having now.

19 I don't know how involved we are with Mr. Lee and
20 who's representing DWR and the state. But probably the
21 Rec Board needs to be apprised of that and involved.

22 Mr. Fua?

23 SUPERVISING ENGINEER FUA: Actually the executive
24 team met for the first time, and I attended that meeting.
25 So it was -- the Executive Team Committee was just formed

1 and met once. And Jay was the State Reclamation Board's
2 representative, but he was on vacation at that time, so I
3 represented the Reclamation Board on that first meeting.

4 But we -- staff intends to participate in this
5 every meeting.

6 GENERAL MANAGER PUNIA: Yes. I think that we will
7 be getting more involved there, planning to have the
8 executive committee meetings between then, and I will be
9 involved and talking to Bill Paris in developing some kind
10 of a position so that we can come back at the Board and
11 present the staff position on this subject, and then we
12 can make a decision and give us some guidance on that.

13 PRESIDENT CARTER: Okay.

14 VICE PRESIDENT HODGKINS: Could I ask a question,
15 just in general? I'm blank here.

16 Hamilton City is outside of the federal project.
17 If they worked on that levee, would they have to get a Rec
18 Board permit?

19 CHIEF ENGINEER BRADLEY: It is outside -- it's
20 north of the federal levee. There's been a history.
21 There's a series of local levees there, A through K or A
22 through M, that the Rec Board has taken an interest in the
23 past in, to make sure that somebody does not do something
24 to that levee to cause flooding to someone else. Sort of
25 the reason the Rec Board was put in place.

1 My knowledge of that area is not extensive, but we
2 have regulated things in the past, up there, and what they
3 could do on some of those private levees and what they can
4 not do.

5 VICE PRESIDENT HODGKINS: I want to ask another
6 question. Do we have jurisdiction or not?

7 CHIEF ENGINEER BRADLEY: Oh, I think we do. It's
8 within the Central Valley. So we certainly have
9 jurisdiction. To what extent, you know, I guess until
10 somebody sues us, we can probably do whatever we want up
11 there.

12 But I think that there are projects of interest.
13 There is a town there that will be flooded if the J levee
14 fails. The Rec Board has agreed to be the nonfederal
15 sponsor to this project.

16 PRESIDENT CARTER: Okay. All right. I don't have
17 anything else.

18 So we'll move on to Item 16, Report of the
19 Activities of the General Manager.

20 GENERAL MANAGER PUNIA: Considering the time, I
21 will be very brief. Since January 1st, 2007, we have
22 received 48 applications, and since that time we have
23 issued 45 permits so far. And overall, there are 67
24 permits pending on the books.

25 But these are not -- which are just received from

1 January 1st. These are some of the pending permits from
2 2006. So 48 received this year, 45 permits issued, and 67
3 on the books so far.

4 MEMBER RIE: Jay?

5 GENERAL MANAGER PUNIA: Yes.

6 MEMBER RIE: How many permits are pending prior to
7 2006?

8 GENERAL MANAGER PUNIA: Prior to 2006? I think I
9 need to get back to you on this. The number I have is
10 from -- since 2006, we have 67 pending.

11 SECRETARY DOHERTY: That's from 2006, not the
12 2007? 2006?

13 GENERAL MANAGER PUNIA: That's correct. We
14 received 48 since January 1. Out of those 48, 37 are
15 still pending.

16 MEMBER RIE: The reason why I'm bringing this up
17 is, I noticed the campground application, there were --
18 there was correspondence from the reclamation district
19 dating back to 2005. The gentleman told us that he
20 submitted this application in 2003 or 2004.

21 I can't recall, and the Corps' comments, I
22 believe, were from 2004, but we're now just hearing that
23 permit today.

24 So I'm just wondering, are there other permits
25 lingering from 2003, 2004, that we need to get off the

1 books and either approve or deny or schedule a hearing?

2 GENERAL MANAGER PUNIA: I think I need to go back
3 and do a little more research. The information I got was
4 that since January 1st, 2006, we have 67. Whether that
5 includes the permits before that, I don't have that
6 information. I will check on that and get back to you.

7 SECRETARY DOHERTY: Teri, I thought that it said
8 somewhere in there, in the laws, that if they don't start
9 on their application within a year of having it issued,
10 it's null and void, and they have to reapply. And I
11 thought maybe this was a reapplication.

12 MEMBER RIE: I don't know.

13 SECRETARY DOHERTY: That's what I thought.

14 CHIEF ENGINEER BRADLEY: That has to do with a
15 permit. These are applications. These are not permits.
16 If a permit is issued, they have one year to start on the
17 permit, once it's approved. These are applications.

18 SECRETARY DOHERTY: Okay.

19 CHIEF ENGINEER BRADLEY: So they are not yet
20 permits. There may be various reasons that they are not
21 being acted upon. Either they need to supply some
22 information, that we can ask for, and so forth.

23 GENERAL MANAGER PUNIA: American Society of Civil
24 Engineers and Society for American Military Engineers are
25 having a conference on July 24th through 26th.

1 The registration fee is \$450, and for the speaker,
2 it's \$300. We are sending -- planning to give this option
3 to all the Rec Board staff. And if any Board member wants
4 to attend, please let us know, and we will try to complete
5 your paperwork.

6 The goal is to get the approvals up front rather
7 than after -- going to get the money after we attend the
8 conference.

9 SECRETARY DOHERTY: Is that room and board both?

10 GENERAL MANAGER PUNIA: No. Maybe Lorraine can
11 answer it. The \$450 is just the registration fee.

12 STAFF ASSISTANT PENDLEBURY: It's a registration
13 fee. It's considered a local meeting.

14 SECRETARY DOHERTY: Sacramento, yeah.

15 Have fun, Ben.

16 MEMBER RIE: Is DWR going to pay our registration
17 fees?

18 GENERAL MANAGER PUNIA: That's correct. Lorraine
19 checked on it. And yes, the state will pay the
20 registration fees.

21 And I'm assuming, if somebody has to stay here,
22 the state will also pay the lodging and transportation
23 costs.

24 For the staff, they are all local, but for the
25 Board members, they are from all over.

1 SECRETARY DOHERTY: Save your receipts.

2 GENERAL MANAGER PUNIA: So please let us know
3 which of the Board members are interested and we'll try to
4 complete the paperwork.

5 MEMBER BURROUGHS: Could you send us an e-mail
6 just so we could look at it?

7 GENERAL MANAGER PUNIA: Yes.

8 MEMBER BURROUGHS: Thanks.

9 GENERAL MANAGER PUNIA: Just an information item.
10 Sacramento Area Flood Control Permit, which you approved
11 in March, the permit was issued to the Sacramento Area
12 Flood Control Agency, and the letter was sent to the Corps
13 asking the determination on that.

14 We've -- we have received, as Keith mentioned,
15 briefly, two critical letters from the Corps. One is they
16 informed us and DWR that they haven't received the
17 inspection reports on time. I'm working with DWR to make
18 sure that, in the future, we send them the inspection
19 reports on time.

20 And the second letter is informing us of the
21 districts which are rated unacceptable. We already
22 discussed that.

23 Eric and I met with the West Sacramento
24 Redevelopment Agency, and we will be getting back to them
25 so that they can complete their application.

1 And Reggie Hill's comments, we have already
2 discussed that. So those are the items I want to share.

3 Thank you.

4 PRESIDENT CARTER: Any questions for General
5 Manager Punia?

6 STAFF ASSISTANT PENDLEBURY: I have a question on
7 the conference.

8 I was just -- I had brought the material that I
9 e-mailed you, about what will be approved. I'm not sure
10 that this is considered a local one and that you will not
11 be paid for lodging. So let me check on that.

12 Is there anyone who feels they need lodging to
13 attend this conference?

14 MEMBER RIE: I would.

15 PRESIDENT CARTER: I probably would.

16 MEMBER BURROUGHS: It's probably a possibility.

17 STAFF ASSISTANT PENDLEBURY: Okay. Then let me
18 check on that as well. Okay?

19 I know the registration is covered, but since you
20 brought up the lodging, let me check on that.

21 MEMBER BURROUGHS: Okay.

22 PRESIDENT CARTER: All right.

23 Moving on, Future Agenda, Item 17. You have a
24 draft in your package.

25 I guess my request is, are there specific items

1 that you would like to see us try and add to the May
2 agenda, other than what's here?

3 Obviously, this is going to change based on some
4 of the issues that came through today, and there will be
5 other items that will come up between now and the next
6 meeting.

7 We did -- I just wanted to note that there --
8 under Informational Briefings, we do have a couple
9 speakers talking on a couple items on global climate
10 change. Reggie Hill is from San Joaquin Valley. He's
11 coming to talk about some of the concerns, the operational
12 concerns, of the project.

13 Those are two informational briefings we have. The
14 rest are project studies or agreements and applications,
15 and other stuff, up front.

16 Anything specific?

17 VICE PRESIDENT HODGKINS: The 104 letter for Three
18 Rivers, that was not approved. There's an underlying
19 issue there, I think, about what constitutes fair and
20 reasonable compensation for lands that are taken. I'm not
21 sure I'm phrasing it exactly correctly. But how do we get
22 into, as a Board, and get some resolution to that?

23 PRESIDENT CARTER: We can have a discussion about
24 that. We -- I don't know, can we talk about that right
25 now?

1 VICE PRESIDENT HODGKINS: We can talk about it as
2 long as you don't do anything; right?

3 LEGAL COUNSEL FINCH: We can -- well, you can't
4 have a discussion without it being agendized. You can't
5 take action.

6 SECRETARY DOHERTY: We're not taking action.
7 How can we ever come to any kind of a resolution?
8 And we won't be voting on it. But at least he can hear
9 what we're thinking, and I can hear what he's thinking.
10 And I can talk about setbacks as opposed to doing
11 something in place.

12 LEGAL COUNSEL FINCH: Right. But it's a
13 nonagendized issue.

14 SECRETARY DOHERTY: Yeah, but we're trying to
15 decide whether to agendize it. How can we think about
16 agendizing it unless we can talk about it?

17 LEGAL COUNSEL FINCH: I understand. I understand.

18 SECRETARY DOHERTY: So that's not really in the
19 law.

20 LEGAL COUNSEL FINCH: Okay. You can have a short
21 discussion as to setting the agenda but not go into
22 details, policy details. Yeah, just a couple sentences
23 each. Yeah.

24 PRESIDENT CARTER: I think -- I think, I just tell
25 you, the issues from my perspective, and we discussed

1 these in public session at the subcommittee.

2 I made my views very clear, that the agency that
3 is -- that is doing the work on the levees made a decision
4 that was essentially changing a direction -- a change in
5 direction, which was, they were going to fix it in place.
6 Last fall, they decided there's money available to maybe
7 do a setback, and the setback has a lot of benefits to the
8 system, to the region, to everything.

9 And so they -- they've decided that they are going
10 to pursue the setback. In doing that, they have made land
11 use decisions for people, for private property owners, in
12 that area. And their process has been to essentially use
13 the condemnation process as a hammer, saying that you are
14 going to basically -- basically there's not a whole lot of
15 negotiation going on, and there is not a recognition of
16 the fact that those people who are giving up, potentially,
17 their livelihoods, are providing value to the system and
18 they are not being compensated for it.

19 And so the -- fundamentally, I -- I can't be a
20 party to that.

21 VICE PRESIDENT HODGKINS: That was something that
22 was set by the levee policy.

23 PRESIDENT CARTER: No, it is not. It is not.

24 We're going to have to agendize this discussion.

25 VICE PRESIDENT HODGKINS: Okay. The only -- I'm

1 not sure how we say it should be on the agenda, but one of
2 the things that I think we should be prepared to discuss,
3 there is -- I agree with Ben in that there are major
4 benefits here that accrue to the system, that we fall back
5 on laws, that say, we go out, we make an appraisal, and
6 the most we can pay is the attorneys. I don't know if
7 that's the most we can pay is the appraised value.

8 But one of the issues here is, can you give some
9 recognition in acquiring that land for the benefits that
10 accrue to the system as a whole? Or is the law set up in
11 a way where the only amount of money the state and other
12 government agencies are allowed to pay for land
13 acquisition is the fair market value of the land plus
14 relocation costs.

15 LEGAL COUNSEL FINCH: May I make a suggestion?

16 Perhaps, for a future agenda issue, an
17 informational agenda item on setback levees, and you can
18 direct staff to ask -- to find someone within the Rec
19 Board or DWR to give an overview of the pros and cons of
20 setback levees.

21 VICE PRESIDENT HODGKINS: That's not the issue.
22 The issue is the fact that when you condemn land, there is
23 no recognition of the value that the condemnation provides
24 to the system as a whole.

25 And in fact, in the Three Rivers situation, the

1 very board that decides land use decides where levee
2 alignments go. And in deciding where the levee alignment
3 goes, they decide who has land that qualifies potentially
4 as future urban areas, which goes for 40 or 50 thousand an
5 acre, than people who don't, and then we go buy the land
6 from the people who don't, at 15,000 an acre.

7 LEGAL COUNSEL FINCH: Right. Perhaps we can
8 redefine our informational agenda item to the condemnation
9 issue.

10 SECRETARY DOHERTY: But this also fits into the
11 problem that I have with changing the project standards
12 midway through the project.

13 PRESIDENT CARTER: Well, and also -- it's unclear
14 whether or not you have to -- an agency such as that, a
15 joint powers authority or a county board of supervisors
16 has to go through condemnation. I believe they don't have
17 to do condemnation. That's a choice that they make.

18 LEGAL COUNSEL FINCH: Well, I think that -- that
19 this issue needs to appear at a future period meeting, a
20 future informational -- or if you would like to --

21 VICE PRESIDENT HODGKINS: I think the issue is
22 more, what can a government agency pay for the acquisition
23 of property? I don't care if you condemn it or not.
24 Okay? And that's a legal question?

25 LEGAL COUNSEL FINCH: That's condemnation law. We

1 could bring in -- find someone to come in and discuss
2 condemnation law as it stands, not necessarily how the
3 Board would like it. Would that be helpful?

4 VICE PRESIDENT HODGKINS: I think we are
5 interested in understanding, fundamentally, whether or not
6 the concept of the gift of public monies and the laws that
7 are on the books that regulate government acquisition of
8 private property preclude the state or local government
9 agency from paying more than the fair market value for
10 land as determined by appraisals. That's the question.

11 LEGAL COUNSEL FINCH: And that's through the
12 condemnation process.

13 PRESIDENT CARTER: Or how those -- or how those
14 values are set. Because the appraisal -- you know, the
15 value is an appraisal.

16 VICE PRESIDENT HODGKINS: That's right.

17 PRESIDENT CARTER: And it's subjective, and it
18 takes into consideration a lot of different -- it has to
19 place a value on the land. And when you draw a line on
20 this side, it's worth X because of future land use
21 potential. And on this side, it's worth Y because of
22 future land use potential.

23 And you know, where you draw that line has huge,
24 huge implications. And if you can fix in place, that has
25 huge, huge implications for those folks.

1 SECRETARY DOHERTY: And we gave permission to fix
2 in place, and that was what the project was.

3 LEGAL COUNSEL FINCH: Now, so --

4 MEMBER BURROUGHS: There's two things.

5 LEGAL COUNSEL FINCH: So the question is, would
6 you like an agenda item specifically related to a specific
7 project, or would you like an agenda item to come in, that
8 has to do with the condemnation process the way it's
9 evaluated, land use issues?

10 SECRETARY DOHERTY: Land acquisition.

11 PRESIDENT CARTER: Land acquisition, land
12 valuation.

13 LEGAL COUNSEL FINCH: Okay. So perhaps you can
14 direct staff to develop an agenda item for this for those
15 issues. And then it can come back next meeting with an
16 informational item.

17 VICE PRESIDENT HODGKINS: I'm willing to take that
18 task on, of developing a written statement of what the
19 issues are. And I will do it with you, Ben, if that's
20 okay. And we will give that to staff and then staff can
21 figure out who's the appropriate person to come and talk
22 the Board through what happens.

23 PRESIDENT CARTER: Okay.

24 GENERAL MANAGER PUNIA: Today, at the meeting,
25 Cliff Winston, the chief of Real Estate Branch was here.

1 I think Rod and I discussed yesterday, we brought him if
2 there were questions. I think we couldn't utilize him
3 today, but we'll bring him back to address the questions
4 you have.

5 PRESIDENT CARTER: Okay. Good.

6 LEGAL COUNSEL FINCH: Thank you for your patience.

7 PRESIDENT CARTER: Any other --

8 MEMBER BURROUGHS: Earlier in the meeting, I asked
9 to put on the agenda having legal counsel work on a
10 possible resolution that is, I'm hoping, would be a policy
11 issue on how information is presented or the time in which
12 information is presented to the Board as well as the
13 staff.

14 PRESIDENT CARTER: So you are talking about -- I
15 have here a resolution regarding timely submittal of
16 materials for Rec Board meeting. Is that --

17 MEMBER BURROUGHS: That's correct.

18 GENERAL MANAGER PUNIA: Yes.

19 MEMBER BURROUGHS: And I think it should also
20 include timely information to the staff, that staff has to
21 be prepared for a Rec Board meeting as well.

22 And then last -- we don't have minutes from last
23 month, but I did ask to put on the agenda last month
24 Mr. Foley's suggestion of having a presentation.

25 Do you have the name, and could you give the

1 information of who to contact?

2 MR. FOLEY: Yeah.

3 MEMBER BURROUGHS: We need you to give Lorraine or
4 our staff the information of the Berkeley group that did
5 the study.

6 MR. FOLEY: Yeah. They are familiar to DWR.
7 They're called Independent Levee Investigation Team.

8 MEMBER BURROUGHS: Thank you.

9 STAFF ASSISTANT PENDLEBURY: Can you e-mail that
10 to me?

11 MR. FOLEY: Thank you.

12 VICE PRESIDENT HODGKINS: I want to know for sure
13 what we are doing here.

14 Are we directing staff to bring that committee to
15 a Board meeting to make a presentation or what?

16 MEMBER BURROUGHS: I'm sorry. I did not hear
17 that.

18 VICE PRESIDENT HODGKINS: Are you directing staff
19 to bring that committee before the Board, to make a
20 presentation?

21 MEMBER BURROUGHS: That's what -- that is what I
22 asked last month.

23 VICE PRESIDENT HODGKINS: Okay. I would like also
24 then to ask that you invite DWR people, whoever's
25 appropriate, who's familiar with the work these folks have

1 done. I just know how easy it is to get off on what I
2 will call an academic tangent that can really make it
3 difficult to get back into the real world.

4 And I don't know these guys and they may be just
5 great. I just want to be sure there's the potential for
6 some way to be balanced, in the event that they are not.

7 GENERAL MANAGER PUNIA: Jay Punia.

8 Of course, they have to do some investigation
9 only. Then they can talk about the specific project,
10 otherwise they can talk in general terms.

11 MEMBER BURROUGHS: General information.

12 GENERAL MANAGER PUNIA: And without any funding
13 source, we cannot ask them to do some investigation and
14 then report back to us on a specific project.

15 SECRETARY DOHERTY: Right.

16 GENERAL MANAGER PUNIA: So that's what -- I got
17 the information. I was ready to call, but the concern
18 came to my mind, I don't have any funding. And without
19 doing any research, they cannot provide the constructive
20 feedback to the Board on this subject.

21 PRESIDENT CARTER: So I think what I propose for
22 Marie is that we look into who and what this group is and
23 find out if it's, in fact, appropriate to come before the
24 Board. And if they are, then we will. And if they can
25 give us a -- they've --

1 MEMBER BURROUGHS: I've heard enough -- excuse me.

2 Go ahead.

3 PRESIDENT CARTER: They have purportedly done some
4 investigation on Katrina and levee failures in New
5 Orleans. And if that seems to be relevant and germane to
6 us, it would be interesting.

7 MEMBER BURROUGHS: It is relevant and germane to
8 us, and I have already requested that. And I asked last
9 month if it could be on the agenda for this month. And
10 there was no call to me, no discussion whether it was on
11 or not. And I received no information at all about what
12 was on the agenda this month until it came in my packet,
13 or until I got the letter.

14 So I would also like to add that I would like --
15 the day before the agenda is finalized, I would like to
16 get an e-mail with the draft agenda so I could have some
17 input on that as well.

18 The subcommittee does create the agenda, but if
19 the only time I have to give input is at the Board
20 meeting, then I am left out.

21 PRESIDENT CARTER: Well, we run into a
22 Bagley-Keene issue there. If we e-mail it out to all
23 Board members to get input, then we're having a serial
24 meeting, and we have a problem with that. So we can't do
25 that.

1 MEMBER BURROUGHS: Are we not meeting about the
2 agenda right now?

3 PRESIDENT CARTER: There are two Board members
4 that are involved with the agenda, when we're finalizing
5 the agenda.

6 Today, we meet and every month we meet about the
7 agenda and what people want to have on the agenda, and we
8 try and had include those things on the agenda. There's a
9 long list of things that need to be included.

10 So unfortunately we don't have time to do
11 everything, every month. We're trying to work through the
12 list.

13 But we cannot have a serial meeting where the day
14 before the agenda is finalized, we send it out to all
15 Board members for input. That would be a violation of
16 Bagley-Keene. We cannot do that.

17 MEMBER BURROUGHS: I don't understand why, if we
18 have a draft right now, you couldn't still send a draft
19 the day before it's finalized.

20 PRESIDENT CARTER: Well, because today we are
21 discussing it in open session, not closed session.

22 MEMBER BURROUGHS: Okay. But I have no idea of
23 what's coming other than just right now at this time.
24 Maybe we could discuss it with legal counsel later. But I
25 just feel like --

1 PRESIDENT CARTER: You have the same information
2 that every other Board member has on the agenda that's
3 going to happen in May.

4 MEMBER BURROUGHS: That's correct. But last
5 month, I did ask to have it on the agenda, and I am saying
6 that there was no communication to me that it wasn't going
7 to be put on the agenda.

8 PRESIDENT CARTER: Okay. So maybe I misunderstood
9 what you would like to have. You would like to know
10 whether or not your item -- your requested items are going
11 to be on the agenda or not?

12 MEMBER BURROUGHS: That's one of the points, yes.

13 PRESIDENT CARTER: Okay. And what else?

14 MEMBER BURROUGHS: And I will -- I will talk to
15 legal counsel about my frustrations about not being able
16 to have information prior to the finalization of the
17 agenda. I can do that on my own.

18 Thank you.

19 PRESIDENT CARTER: Yeah, you should -- I think
20 we've got a Bagley-Keene problem if we do that.

21 MEMBER BURROUGHS: All right. That's fine. I can
22 research that.

23 But I'm -- I'm asking today to have the group
24 present, as I did last month, and I'm not sure why I'm
25 being told that it has to be researched.

1 VICE PRESIDENT HODGKINS: Well, you are asking
2 them to present what?

3 MEMBER BURROUGHS: Information.

4 VICE PRESIDENT HODGKINS: On?

5 MEMBER BURROUGHS: On their investigative study.
6 They were working on the Katrina issue. And it had been
7 presented publicly three times, as a recommendation to the
8 Board, if we could consider hearing this information.

9 VICE PRESIDENT HODGKINS: But that's fine. I
10 mean, I think what you are asking is, can we put them on
11 the agenda to give us a presentation of what they found in
12 their investigations in Katrina.

13 Now, that -- you can go to them and see if they
14 will do that or if they want to be compensated for that.
15 I don't have a particular problem with letting them tell
16 us what they found out about Katrina.

17 What I don't want to do is get them into talking
18 about other projects without having a little better
19 understanding of who they are and what they represent.

20 SECRETARY DOHERTY: I agree with that.

21 VICE PRESIDENT HODGKINS: Okay. And if they won't
22 do it unless we compensate it, then --

23 MEMBER BURROUGHS: That's fine.

24 VICE PRESIDENT HODGKINS: I think that's what
25 she's asking. Can we say that's on the agenda? If we

1 take it off, we are going to have to explain why.

2 MEMBER BURROUGHS: That would be fine.

3 VICE PRESIDENT HODGKINS: Jay, I'm trusting you
4 to -- if we don't get them on here, that we have to let
5 Rose Marie know what happened.

6 GENERAL MANAGER PUNIA: I dropped the ball. I
7 checked into it, and this question came to my mind that
8 how are we going to compensate, plus they don't have any
9 information on the specific project.

10 But I now understand a little better what you are
11 trying to accomplish for the general report, what they
12 have found in Katrina and other places. So I will talk to
13 them.

14 SECRETARY DOHERTY: Perhaps part of it was my
15 problem. She mentioned the group, but in my minutes, I
16 didn't know in what context. And so I didn't know what to
17 say. I just said it was mentioned.

18 MEMBER BURROUGHS: Okay. Thank you.

19 PRESIDENT CARTER: So everybody understands now
20 what the request is?

21 VICE PRESIDENT HODGKINS: I will forget it
22 tomorrow. That's why I'm counting on Jay.

23 PRESIDENT CARTER: Are there any other things that
24 Board members want to have on the agenda, either next
25 month or in the future?

1 Give us a little lead time. It takes a while.
2 Okay. Very good. With that, we are adjourned.
3 (Thereupon the California Reclamation Board
4 meeting adjourned at 5:48 p.m.)
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1 CERTIFICATE OF REPORTER

2 I, KATHRYN S. KENYON, a Certified Shorthand Reporter
3 of the State of California, do hereby certify:

4 That I am a disinterested person herein; that the
5 foregoing Reclamation Board Meeting was reported in
6 shorthand by me, Kathryn S. Kenyon, a Certified Shorthand
7 Reporter of the State of California, and thereafter
8 transcribed into typewriting.

9 I further certify that I am not of counsel or
10 attorney for any of the parties to said meeting nor in any
11 way interested in the outcome of said meeting.

12 IN WITNESS WHEREOF, I have hereunto set my hand this
13 2nd day of May, 2007.

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22 KATHRYN S. KENYON, CSR

23 Certified Shorthand Reporter

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